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U.S.-China Trade Talks Are Stymied In All Areas

'Complex' Differences Block Deal on Beijing Effort to Join WTO

By Erik Eckholm
New York Times Service

BEIJING — Dampening hopes for a quick agreement on China's entry into the World Trade Organization, American officials said Tuesday that "difficult and complex issues remain across all areas of trade."

American and Chinese officials have engaged in intense negotiations over the last week here over the scale of market-opening concessions China must make to qualify for membership in the global body, which sets trade rules.

After years of impasse, the two sides have recently shown a renewed determination, hoping especially for major progress before Prime Minister Zhu Rongji leaves for an official visit to the United States next week.

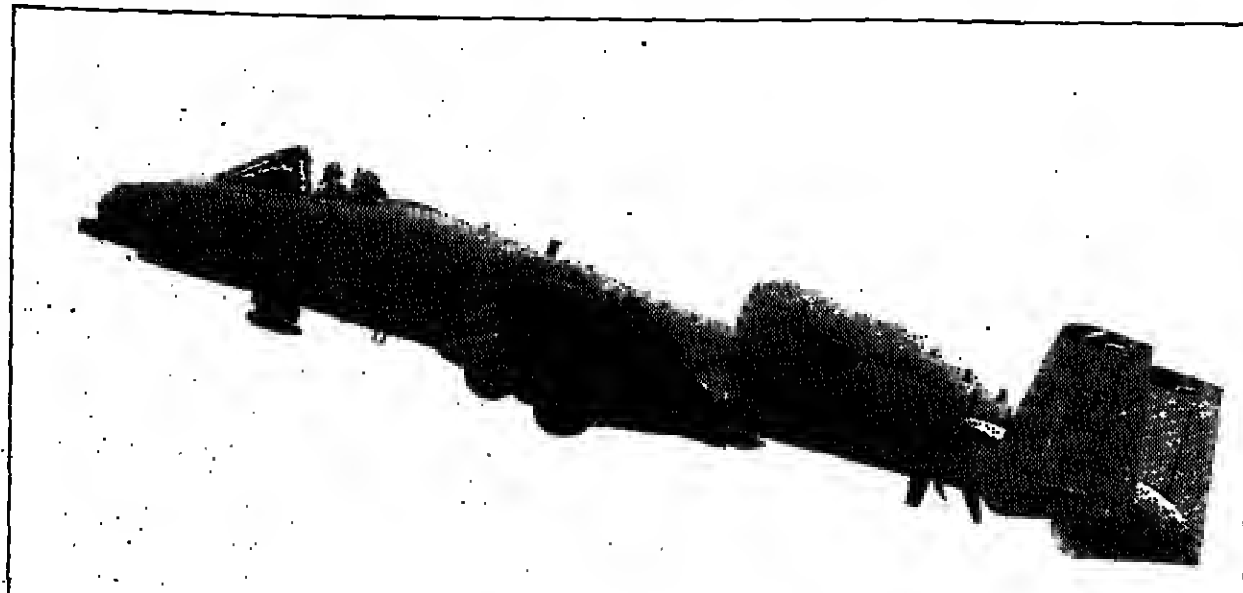
The American and Chinese governments both see a trade accord as a political plus in a relationship increasingly strained by disputes over such matters as human rights, charges of nuclear espionage and the bombing in Yugoslavia, which China harshly condemns.

Expectations that agreement was near were raised over the weekend when it became known that the U.S. Trade Representative, Charlene Barshefsky, planned to swoop into Beijing for one day, possibly to push through the final details.

Ms. Barshefsky arrived Monday night and on Tuesday spent a total of five and a half hours talking with a senior trade official, Wu Yi, and Prime Minister Zhu. But on Tuesday evening, as Ms. Barshefsky headed home as scheduled, she issued a written statement saying that although there had been "important progress today in narrowing the issues, there remained substantial gaps in critical areas."

"The United States will set no artificial deadlines in these negotiations," the statement said.

Another American official said that important differences remained over among other things, market access for



A U.S. A-10, commonly called the 'Warthog', taking off from Aviano, Italy, for targets in Yugoslavia. The low-flying, maneuverable and tough plane is good for mountain attacks on tanks, artillery and infantry.

Kosovo's Terror, in the Victims' Words

At 3 Border Posts, Albanians Recount Killings, Threats and Expulsion

By Peter Finn, R. Jeffrey Smith
and Daniel Williams
Washington Post Service

KUKES, Albania — She is 85 years old and curled in a fetal position. A cold mountain wind blows over her rail-thin frame. Her eyes are bloodshot and tearless from exhaustion. Njalledeze Bytyci, matriarch of four generations of the Bytyci clan, raises her hand and says with the remnants of her spirit, "Walking, walking."

The worst of it began Sunday. Around noon in the village of Leshan, Yugoslav Army and Interior Ministry troops began searching house to house, evicting families and forcing them to a nearby elementary school. As their homes burned and soldiers fired in the air, 5,000 villagers were forced to shout "Long Live Serbia!" in unison. Men were separated from women. Then began the long, forced march.

Sitting now on rubble surrounded by broken glass and garbage on the outskirts of this frontier town near the Yugoslav border, the Bytyci clan is fortunate to be alive. The clan is one of thousands of other refugees arriving here — they survived. Behind them in Kosovo lies a scorched land where, according to accounts emerging from people who witnessed the events, hundreds and perhaps thousands of unarmed civilians were massacred by Yugoslav forces during the last week.

In the 24 hours from Sunday through Monday, more than 100,000 refugees reached the borders between Kosovo and the rest of the world in one of the largest mass movements of people in Europe since World War II. Many are grief-stricken, stripped of everything by Serb-led security forces that are trying to remake the landscape of the province by emptying it of the ethnic Albanians who account for the vast majority of its population.

Instead of possessions, the refugees carry stories that paint a chilling picture of a corner of Europe: Men with their

hands behind their heads, praying to God for life. Women summoning strength to carry children to safety. The old stumbling and rising anew to keep up with their offspring.

At three border posts in Albania, Macedonia and the Yugoslav republic of Montenegro, refugees described an "ethnic cleansing" campaign under way in Kosovo on a scale that appears greater than NATO or U.S. officials have yet reported. Refugees spoke of being herded like animals, humiliated, terrorized and finally expelled from their homeland. As part of their forced exodus many witnessed executions and massacres, particularly of adult men.

The accounts could not be independently verified; most journalists and all Western observers have been expelled from Kosovo. But refugees from small rural villages and the province's largest cities told of similar events that seemed consistent with a pattern.

What follows are their stories.

At 4 A.M. Thursday — the morning after NATO air strikes began — Celina, a town of 2,500 in southern Kosovo, was surrounded by 12 Yugoslav tanks. Fifteen minutes later, the shelling began.

Masir Rexhepi, 43, a professor of mathematics, said that he and others fled from their red brick houses to the hills. With him were two distant relatives, Valoni Rexhepi, 17, and Admir Rexhepi, 15. Yugoslav forces had entered the home of the two boys and told five occupants, all men, to remain in the house. The boys eluded them.

At 5:30 P.M., Mr. Rexhepi and the boys sneaked back to their homes. He said he was gathering some valuables when he heard the boys screaming. The bodies of their father, Naim Rexhepi, 37, an economist; his brother, Dirit Rexhepi, 40, and Ismaili Rexhepi, lay in the courtyard with two other men who had sought shelter at the house. All had been shot, Masir Rexhepi said.

In another farmyard, he continued, he and the boys found 13 bodies that had been piled together and burned. He said

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Denouncing Serbs, NATO Intensifies Attacks on Troops

U.S. Cites 'Clear Indications' Of Genocide Unfolding in Kosovo

By Joseph Fitchett
International Herald Tribune

PARIS — NATO warplanes intensified ground attacks on Serbian forces in Kosovo on Tuesday as alliance officials accused Belgrade of waging a calculated campaign against the ethnic Albanian population, comparable to Stalinist terror in Russia in the 1930s and the Khmer Rouge actions to depopulate Cambodia's cities in the 1970s.

President Bill Clinton said the offensive against ethnic Albanians in the province could undermine international support for Serbian claims. He urged U.S. allies to "remain steady and determined" in the effort to curb President Slobodan Milosevic.

"If there was ever any doubt what is at stake in Kosovo, Mr. Milosevic is certainly erasing it by his actions," Mr. Clinton said. "They are the culmination of more than a decade of using ethnic and religious hatred as a justification for uprooting and murdering completely innocent peaceful civilians to pave Mr. Milosevic's path to absolute power."

James Rubin, the State Department spokesman, said later that atrocities in Kosovo were approaching the level of genocide.

"We have very clear indications that genocide is unfolding in Kosovo," he said. "Clearly, there are crimes against humanity."

A hint that Mr. Milosevic, the Yugoslav president, was feeling the pressure of nightly air raids emerged when he reportedly offered to withdraw some Serbian forces from Kosovo if NATO would halt its air offensive.

The proposal came after Prime Minister Yevgeni Primakov held talks with Mr. Milosevic in an attempt to broker a cease-fire.

But Chancellor Gerhard Schröder of Germany said that the Yugoslav proposals did not constitute a basis for negotiations to end the conflict.

"The proposals brought by Prime Minister Primakov are no basis for a political settlement," Mr. Schröder said at a news conference.

A statement from Mr. Milosevic after the meeting with Mr. Primakov reiterated his demands that the NATO raids must stop before he would call off military operations in Kosovo or agree to peace talks.

As Mr. Primakov pursued diplomacy in Belgrade and later in Bonn, President Boris Yeltsin vowed that Russia would "not allow itself to be drawn into military conflict" in the Balkans.

He implied that no Russian material assistance would go to Belgrade and that no permanent break was planned in Russian relations with NATO.

Western leaders have ruled out any conditional negotiations and their tone seemed to be hardening amid the reports of Serbian atrocities.

Alliance officials were saying Tuesday that NATO would press its expanding offensive until Mr. Milosevic relinquished his military grip on Kosovo.

The situation in Kosovo was worsening dramatically for civilians and now "resembled a modern version of the

Great Terror" in the Soviet Union in the 1930s, according to Jamie Shea, the NATO spokesman.

Mr. Shea said that Yugoslavia's forces had pushed 118,000 ethnic Albanians to flee in the past week.

He added that Kosovo's second-largest city, Pec, with 100,000 residents, had been "almost totally destroyed" as part of a calculated Serbian drive to depopulate the province by driving out ethnic Albanians and razing their homes.

No timetable was offered by NATO about how quickly its intensified air campaign could shield Kosovar civilians or deter wider operations by Serbian Army or paramilitary forces.

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Clark Seeks New Targets All Over Yugoslavia

By William Drozdzik
Washington Post Service

BRUSSELS — A week after launching air strikes against Yugoslavia, senior NATO military and political sources said Tuesday that the alliance bombing campaign was encountering serious difficulties and would undergo a radical adaptation because of the surprising ferocity of the Serbian offensive in Kosovo.

These officials said that NATO's chief commander, General Wesley Clark, was being forced to improvise major changes in the original plan for air operations, which had called for a slow and steady escalation of bombing raids, punctuated by pauses, in order to coerce Mr. Milosevic to sign the Rambouillet peace agreement.

With the priority now on inflicting enough damage from the air to halt the Serbian drive to expel ethnic Albanians from Kosovo, General Clark has asked allied governments to give him authority to attack a broader range of targets all over Yugoslavia.

And he has sought the urgent delivery of many more aircraft to carry out new missions.

But several European governments have expressed qualms about raising the level of risk to pilots as well as Yugoslav civilians.

While North Atlantic Treaty Organization officials insist that allied unity has been fortified by the accounts of Serbian atrocities, they

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Refugees from Kosovo arriving at a checkpoint near Kukes, in Albania, after they crossed the border Tuesday.

Out in Front, Blair and His Spokesmen

British Are Leading the Battle for Hearts and Minds in the Conflict

By Warren Hoge
New York Times Service

LONDON — Prime Minister Tony Blair spoke Tuesday of "unimaginable suffering and barbarism" in Kosovo. Defense Minister George Robertson told of Balkan "killing fields created by Serbian atrocities."

Foreign Secretary Robin Cook referred to "appalling brutality" and "genocide." The three separate briefings on the war, the resort to highly emotive words and the invocation of war crimes tribunal terms were characteristic of the comprehensive and robust way that Britain is leading the hearts and minds battle in Europe.

More than any other European leader, Mr. Blair has stressed a sense of his country's regional responsibility and yoked it to crusading summonses to press ahead even more resolutely.

"This is happening on our doorstep, and we simply cannot stand by and let it happen," Mr. Blair said in Belfast where he is overseeing talks between warring Protestant and Catholic communities in a tribal conflict even closer to home.

Where some other European leaders are expressing doubts about the correctness of the mission for the North Atlantic

Treaty Organization, Mr. Blair responds with certainty that the organization should now be an agent of retribution against Serbia for its campaign against the Kosovar Albanians.

"The answer to what is happening is to intensify air strikes," he said Tuesday.

The British public has responded with support for the air strikes and, by a lesser margin, for the entry of ground troops if necessary.

A Gallup Poll published in The Daily Telegraph on Tuesday showed that 58 percent backed the intervention and 52 percent would support sending in ground troops.

These are higher levels of support than similar polls in France and the United States have recorded.

Significantly, for Mr. Blair and his effort to mobilize public opinion, more than two-thirds of those surveyed agreed with the view that "recent actions in Kosovo constitute a humanitarian outrage and should not be tolerated by the outside world."

British networks have been giving graphic coverage to the refugee crisis in Kosovo, and executives reported that audiences for prime-time news shows were considerably higher than they had been during the bombing of Iraq in which

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Record Jobless Data Sour Japan's Recovery Hopes

Compiled by Our Staff From Dispatches

TOKYO — Japan's unemployment rate rose to a record 4.6 percent in February from 4.4 percent the previous month, and spending by workers posted the largest decline in 11 months, deflating the recent hopeful forecasts of Japan's leaders that the nation was marching toward recovery.

"Frankly we have to admit that data for February has been worse than expected," said the head of the Economic Planning Agency, Taichi Sakaiya. "This shows that the economy's ability to rebound is still extremely weak."

Finance Minister Kiichi Miyazawa said he was "worried" about the trend in employment. "Although we've taken steps necessary to ease the jobless problem, we're ready to increase budget spending for jobs if necessary," he said.

The official reactions contrasted sharply with comments in recent weeks that signs of a recovery were emerging. On Monday, following reports of declines in industrial production and retail sales, Prime Minister Keizo Obuchi declared that Japan's worst postwar recession had bottomed out.

On Tuesday, he took a more sober tone, calling the trend in unemployment "severe" and saying that "more efforts must be made for improvement" in the labor market.

The number of unemployed climbed to 3.13 million in February, up 670,000 from a year earlier, and the highest level since records began to be kept in 1953,

the Management and Coordination Agency said.

The rise in the unemployment rate was more severe than economists had expected. They had predicted that the level would remain flat or edge up 0.1 percentage point.

The management and coordination agency said it was unclear what had caused the jump, but it came amid a flurry of corporate restructuring announcements and a new government push for companies to reduce overcapacity.

Job declines accelerated in manufacturing and construction despite government spending on public works, while women who had not held jobs joined the labor force looking for work, the agency said.

Darkening the outlook on jobs was the expected continuing restructuring of Japanese industry.

On Tuesday, Hitachi Metals Ltd., a maker of steel materials and electronic components, announced that it would cut 1,000 jobs, or 13 percent of its work force, through attrition in a bid to return to profitability.

Obayashi Corp., one of Japan's largest general contractors, said it would cut 15 percent of its work force, or 1,800 jobs, by the end of March 2004. And Tokyo Department Store Co. announced that its losses had widened in the year ended Jan. 31 and that it would cut its work force by more than a third to

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AGENDA

Connecticut Wins Basketball Crown

The University of Connecticut beat Duke University, 77-74, to win the National Collegiate Athletic Association men's basketball title for the first time.

Duke had been the overpowering favorite before the final Monday night in St. Petersburg, Florida, but the Huskies forced two turnovers in the final minute to win a thrilling game. Richard Hamilton scored 27 points for Connecticut and was named MVP. Page 20.

The Dollar		
	Tuesday 4 P.M.	previous close
Frank	1.0717	1.0732
Pound	1.6121	1.6157
Yen	120.25	120.28
DM	1.825	1.8225
FF	6.1208	6.1122

The Dow		
	Tuesday close	percent change
DOW	9,940.18	-0.67%
S&P 500		
	1,304.39	-0.44%
NASDAQ		
	2,492.18	-0.09%

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The IHT on-line	www.ih.com

Newstand Prices			
Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cambodia	1.500 CFA	Qatar	10.00 QR
Egypt	2E 5.50	Riunon	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	3.000 CFA	Spain	250 Ptas
Kenya	1.250 US	Tunisia	1.250 Dh
Korea	1.250 US	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. ML (Est.)	51.20

Will Milosevic's Brutality Preclude Any Negotiations With the West?

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THE AMERICAS

N.Y. Mayor Takes a Swipe at the First Lady

By Dan Barry
New York Times Service

NEW YORK — For several weeks, Mayor Rudolph Giuliani and Hillary Rodham Clinton have waged a kind of shadow campaign for the U.S. Senate. He is raising money, and she is peppering people with questions, but both have refused to announce their intentions. It has all been so maddeningly, well, polite.

Until Monday, that is, when the mayor's Friends of Giuliani fund-raising committee posted a new Web site on the Internet. It is called: *Hillaryno.com* and seeks to raise money and enlist volunteers for Mr. Giuliani by capitalizing on what the mayor's advisers sense is an untapped world of invertebrate Hillary Clinton haters.

The Web site — including an unflattering photograph of the first lady with her mouth agape — por-

trays Mrs. Clinton as a would-be curpetbagger with aspirations for running for president. "Born in Illinois and carried to power in Arkansas, with no connection of any kind to New York," it reads. "Hillary has set her sights on the New York Senate seat and maybe, probably, set her sights even higher."

It also suggests that Mrs. Clinton is unqualified to serve in the Senate, recalling her "failed health care experiment" and saying that she has no governmental experience and has never been elected to public office. A subtitle to the Web site reads: "U.S. Senate: For Proven Leaders. Not a Proving Ground."

Those sufficiently outraged by the prospect of a Senator Clinton from New York are provided with a few ways to vent their anger — all to the benefit of Mr. Giuliani. In fact, the Web site strongly implies that the Republican mayor will be running for the Senate seat being va-

cated by Daniel Patrick Moynihan, a Democrat, next year.

For example, people are informed that they can donate to Friends of Giuliani, a federal fund-raising committee, through the mail or online. "Either way, your dollars will send your message loud and clear — Hillary No!"

People are also encouraged to sign a petition intended to "send a clear message that you object to Hillary Clinton using the U.S. Senate as a stepping stone to higher office."

Bruce Teitelbaum, executive director of Solutions America, Mr. Giuliani's political action committee, said the Web site was intended to "alert people who are users of the Internet about Mrs. Clinton's potential run for the Senate."

Mr. Teitelbaum declined to elaborate further on why the campaign had decided to bolster Mr. Giuliani's support by attacking Mrs. Clinton. Why, for example, the cam-

paign did not have a Web site called: *Rudyves.com*.

Mr. Giuliani had said Mrs. Clinton's entry into the New York Senate race would strengthen his resolve to run, and before his new Web site appeared, he said he would refrain from criticizing her for not being from New York. Several Republican strategists have said her candidacy would considerably bolster the state party's fund-raising efforts.

The Internet broadside did not exactly intimidate Mrs. Clinton's supporters: in fact, they described it as the kind of nasty stunt they would expect from Mr. Giuliani.

Judith Hope, the Democratic state chairwoman, said: "The tone of the Web site matches the direction of his approval numbers: negative, negative, negative." Her comment referred to the recent drastic dip in the mayor's poll ratings after police killed Amadou Diallo, an unarmed immigrant from Guinea last month.



Mr. Giuliani's camp opened a Web site called: *Hillaryno.com*.

POLITICAL NOTES

Big Farm Bailout Looks Possible

WASHINGTON — President Bill Clinton is likely to offer "some specific recommendation" to help U.S. farmers cope with another year of low grain prices. Agriculture Secretary Dan Glickman said Tuesday, citing the possibility of a new multibillion-dollar bailout.

In the past few weeks there has been growing interest in Congress for farmer aid. Overall farm income is forecast to drop 6 percent this year. Although activist farm groups and lawmakers have called for several billion dollars in federal aid for this year, the Clinton administration has not yet requested additional funding.

"I do believe you will find the administration making some proposals to deal with low prices," Mr. Glickman said at a farm policy conference. Late last year, Congress approved a record \$5.9 billion in assistance to American farmers to help offset slumping prices for grains and livestock and a downturn in export demand by key customers in Asia. (Reuters)

Jerry Brown's Oakland Is 'Fun'

OAKLAND, California — After three decades in politics, Jerry Brown knows how to relish the bombshell moments.

Last week, after he announced the "resignations" of the popular police chief and two other city department heads — his biggest bombshell as mayor — reporters and television news people were calling nonstop, outraged critics were dishing out sound bites and Mr. Brown, peaceful as a monk, was wowing a small gathering of citizens celebrating Greek-American Independence Day at City Hall.

"I'm having fun," Mr. Brown said. And the famously dour Mr. Brown actually sort of smiled. But it has not all been fun. In the last several weeks, the former two-term governor and three-time presidential candidate has begun trying to make good on the promises he made at his inauguration in January and reawaken this city "of unfulfilled potential." Mr. Brown has been scrutinizing city departments, lining up his own management team, doing, as he said in an interview, "what any new mayor would do." With almost every move, however, there have been increasing rumblings that the 61-year-old novice mayor is charging too hard, too fast. (NYT)

Quote/Unquote

Representative Pomeroy Goss, Republican of Florida and chairman of the House Permanent Select Committee on Intelligence, taking aim at the National Security Council and wondering what it takes to open communication with Mr. Clinton's national security advisers: "I don't think it would be a bad use of anybody's time to commit to an hour a month for discussion." (WP)

Test Failure Adds to Doubts About Missile Shield

By Bradley Graham
Washington Post Service

WASHINGTON — A weapon being developed and tested by the U.S. Army to guard field troops against missile attack has suffered its sixth consecutive miss, raising further questions about the costly system and clouding Pentagon plans for a broader missile defense.

Senior Pentagon officials were encouraged that the interceptor, launched Monday from a test range in New Mexico, came closer to hitting an airborne target than previous shots. But at a news conference, they said they had little idea why the

failure had occurred or what its impact would be on future tests of the Theater High-Altitude Area Defense system, known as THAAD.

The repeated inability to demonstrate that THAAD's interceptors can hit incoming warheads has implications beyond battlefield defense. The same "hit-to-kill" concept is at the core of the even more ambitious anti-missile system being designed to protect the entire United States against long-range missile attack.

The failure of the system may also complicate U.S. efforts to persuade Asian allies to participate in development of a missile-defense

system. China is waging a vigorous campaign against proposals in the United States to place parts of Asia, including Taiwan, under an American anti-missile umbrella, warning that such a move would block China's hopes of reuniting peacefully with Taiwan.

"If some people intend to include Taiwan under theater missile defense, that would amount to an encroachment on China's sovereignty and territorial integrity and also be an obstruction to the great cause of peaceful reunification of the motherland," Foreign Minister Tang Jiaxun said recently.

This month, the Senate and House

passed measures expressing strong bipartisan support for the first time for deploying a national anti-missile system when the technology becomes available. And President Bill Clinton is seeking \$10.5 billion over the next six years in the event such a weapon can be developed by 2005.

Lieutenant General Lester Lyles, who heads the Pentagon's anti-missile effort, expressed confidence that THAAD's recurring problems can be overcome. He pointed to the successful intercept test two weeks ago of a shorter-range Army anti-missile weapon — the advanced Patriot system — as evidence that hit-to-kill technology could work.

But THAAD, designed to combat medium-range missiles inside and outside the Earth's atmosphere, faces even more daunting technical challenges.

Since the program's unsuccessful intercept attempt in May, the Pentagon has put added pressure on the prime contractor, Lockheed Martin Corp., to solve problems that have plagued the program. The company was advised that its contract could be canceled and had to agree to penalty fees if future tests also flopped.

As a result of Monday's failure, General Lyles said, Lockheed will be charged \$15 million. If it cannot produce two successful intercept tests by the end of June, it faces another penalty of \$20 million, he said.

Longer Life for Social Security and Medicare

The Associated Press

WASHINGTON — The strong American economy has delayed the projected insolvency date of the Medicare trust fund by seven years, to 2015, and the Social Security trust fund by two years, to 2034, trustees of the programs said Tuesday.

"This really is a remarkable transformation we have had," said Treasury Secretary Robert Rubin.

It is the second consecutive year that stronger-than-expected economic growth has added new years of life to the retirement programs.

Medicare, the health insurance program for the elderly and disabled, had been projected to run out of cash in 2007. Last year, that date was moved to 2008 and, now, to 2015.

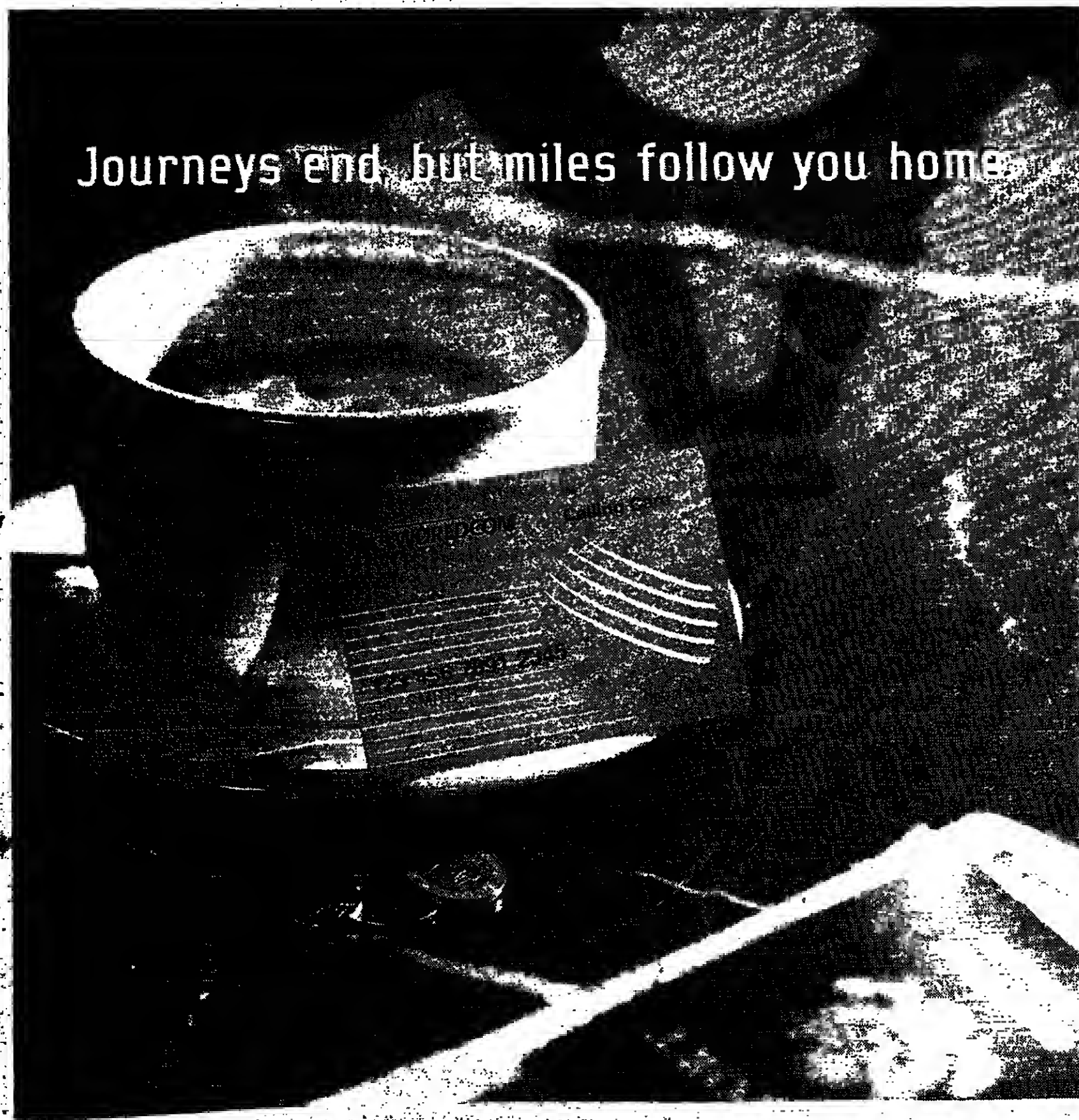
The Social Security insolvency date, which was extended last year from 2029 to 2032, was moved in the latest projection to 2034.

The trustees of the two programs attributed the improvement in Medicare not only to the strength of the economy but also to cost-cutting agreed to by lawmakers in 1997 and

to a crackdown on waste, fraud and abuse in the programs.

The stronger economic growth has helped both Medicare and Social Security by holding unemployment rates close to a 29-year low. Because more Americans are working, taxes that are deducted from workers' paychecks to support the programs have risen.

Low inflation also saves both programs money because yearly cost-of-living Social Security raises to retirees were smaller, and health care costs remained lower.



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EUROPE

'Mad Cow' Infections Found in French Zoos

Big Number of Primates Hit by the Disease

By Sandra Blakeslee
New York Times Service

NEW YORK — A large number of primates living in French zoos appear to be infected with the agent that causes "mad cow" disease, according to a provocative study published Tuesday in the Proceedings of the National Academy of Sciences.

Although it is not the first time that the disease has been found in monkeys and lemurs, the extent of the infection is surprising, researchers said.

When 18 apparently healthy lemurs were killed and their tissues examined, every single animal was infected with what looked like mad cow disease. The finding is bad news for people living in Britain who fear that a human form of the disease, called new variant Creutzfeldt-Jakob disease, or vCJD, may have similar underpinnings.

For many years, zoo animals throughout Europe were fed protein supplements containing the rendered remains of British cattle, some of which carried a mysterious disease agent called an infectious prion. A number of species that ate the tainted animal feed, including cats and ungulates, developed sponge-like holes in their brains and died in much the same way that cattle in Britain were dying from mad cow disease.

Suspecting it was the source of infection, feed manufacturers stopped adding British beef to their products in 1996.

That same year, Noelle Bons, a neurobiologist at Montpellier University in France reported that a rhesus monkey and two lemurs from the local zoo had died of a brain disease similar to mad cow disease. But the link to animal feed could not be proved.

In the study reported Tuesday, Mrs. Bons and her colleagues fed a large portion of infected cattle brain to two young lemurs that had never before eaten meat. One animal received one dose, equivalent to a 154-pound (70-kilogram) person eating a one-pound hamburger made entirely from cow brain. The second animal got two similar doses, a couple of months apart. After five months, one animal showed "a loss in vitality" and was killed by its cage mates, Mrs. Bons said. Researchers then killed the other lemur and the tissues of both animals were examined for the presence of infectious prions.

Another 20 lemurs from three French zoos were also killed as part of program to cull certain animals. Two showed subtle neurological symptoms but the other 18 looked completely normal. All

had eaten animal feed containing British beef for many years.

Finally, three young lemurs that had never eaten beef were also killed and their tissues were compared to all the others.

The vegetarian lemurs showed no signs of infectious prions, Mrs. Bons said. But the two animals intentionally infected and the 20 lemurs living in different zoos showed identical patterns of infection. In primates, the infection first takes hold in epithelial tissues of the gut, moves to tonsils, esophagus, lymph nodes and spleen and then spreads to the spinal cord to the brain, Mrs. Bons said.

This is the first time that such a pattern has been shown in animals incubating a prion disease, said Paul Brown, a senior research scientist at the National Institute of Neurological Diseases and Stroke in Bethesda, Maryland, and co-author of the paper. Mrs. Bons said that she suspects the pattern is typical of most prion diseases, called spongiform encephalopathies, found in many mammalian species.

Prion diseases take many years to spread and incubate. Most animals, including people, can be infected for many years before their brains are sufficiently damaged to produce symptoms. At that point, the disease progresses swiftly and is always fatal.

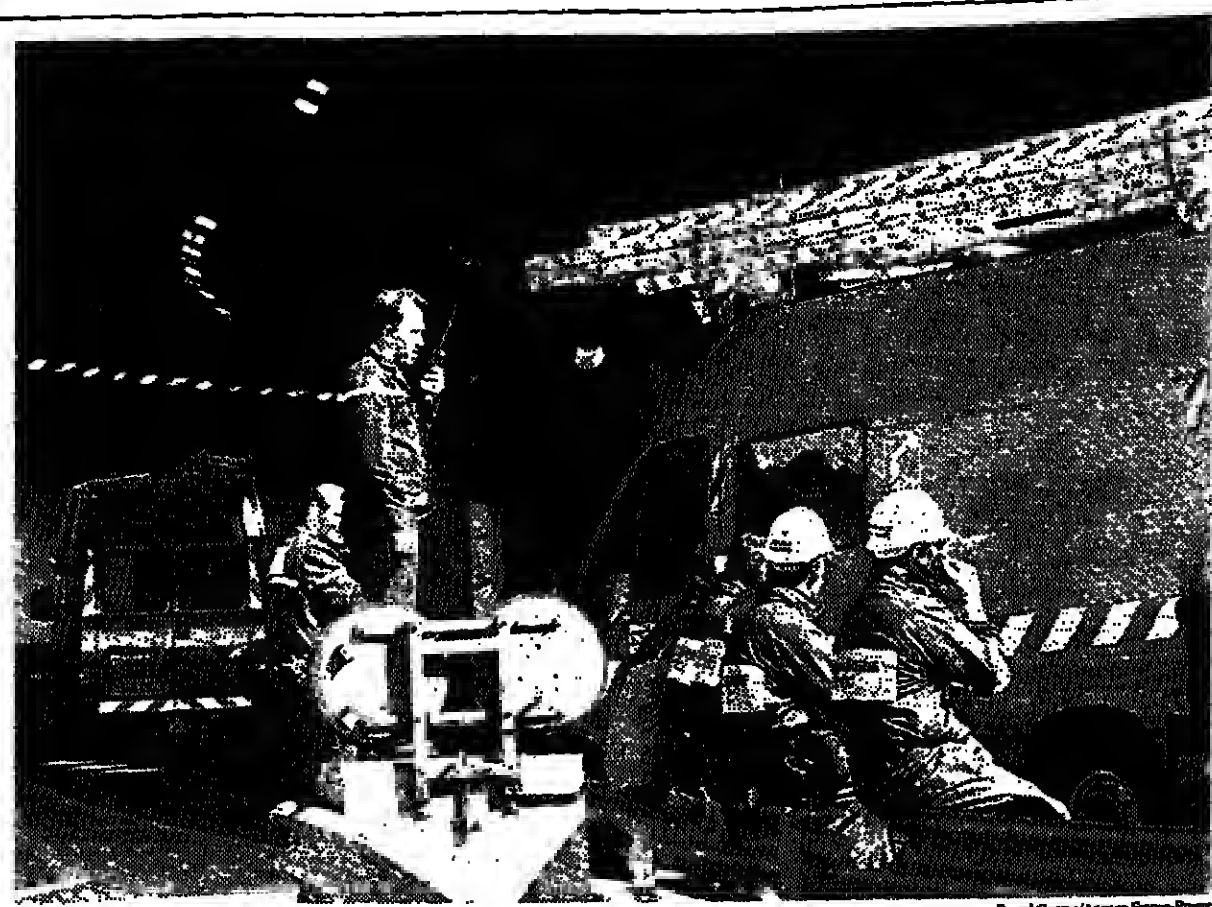
Thus far, 39 people in Britain and one Frenchman have died from new variant vCJD, which most experts think is contracted from eating infected beef, particularly brain tissue. For many years, British butchers mixed cow brains into hamburger meat but the practice ended in the early 1990s after the outbreak of mad cow disease.

The lemurs were probably exposed to more infected meat and brain than most humans, Mrs. Bons said, but how much is required to pass the disease from cows to humans is not known.

Mr. Brown said, "It doesn't take much to infect domestic cats and ungulates, so we can't draw conclusions one way or the other."

It is not possible to know how many primates in French or European zoos are infected with mad cow disease, Mrs. Bons said, but the number could be very large since most facilities have been using the same sources of animal feed. She did not name the manufacturers.

Thus far, only lemurs and rhesus monkeys have been shown to contract the disease, Mrs. Bons said. It is possible that other primate species are less vulnerable to the infection, but they have not been examined.



GRISLY TASK — Forensic experts preparing Tuesday to enter the Mont Blanc tunnel between France and Italy to identify victims of the March 24 fire, after officials took measures to insure the tunnel would not cave in.

Blair and Ahern Press Ulster Leaders

By James F. Clarity
New York Times Service

BELFAST — Prime Ministers Tony Blair of Britain and Bertie Ahern of Ireland continued Tuesday to press Protestant and Roman Catholic leaders to compromise on the bitter dispute over the disarmament of the Irish Republican Army, which is overwhelmingly Catholic.

After meeting with party leaders for four and a half hours Monday night, the prime ministers swept back and forth over this British province in a military helicopter, emphasizing at a number of meetings that time was running out for settling the issue, which threatens to cripple or collapse the Northern Ireland peace agreement approved April 10 last year.

The British government has set a deadline of Friday for agreement. At issue is the insistence by Protestant leaders that the IRA make a "credible beginning" to disarmament before its political wing, Sinn Féin, is allowed to sit in a new Protestant-Catholic cabinet of the Northern Ireland Assembly, the body designed to carry out the provisions of the year-old peace agreement. The establishment of the cabinet is to

pave the way for the return by the British government, after 27 years, of home rule powers to Northern Ireland.

Failure to compromise now could lead to another delay and possibly to a return of the widespread sectarian violence the peace agreement is supposed to end.

As they began their day with short speeches at the Hazelwood Integrated College, an interdenominational high school in Belfast, the two prime ministers sounded optimistic.

"After talking to the parties here last night and again today," Mr. Blair said, "I do believe that we can get there. It is within our grasp."

Asked about his own religious background, he said, "On my mother's side, I was very strong Irish Protestant. I married a Catholic although I am Church of England. We are about to enter the 21st century. Do these things really have to pull people apart?"

Mr. Ahern, who is from a working-class district of Dublin, used humor to explain why he opposes a delay in negotiations, called "parking the issue."

"In my end of Dublin," he said, "if you park things too long they usually get vandalized."

As the meetings continued during the

day at Parliament Buildings, the home of the Assembly in Belfast, and at Hillsborough Castle, a British residence 20 miles (32 kilometers) south, the atmosphere of sectarian discord prevailed.

The IRA attempted to improve its image, among Catholics, in a macabre way.

The outlawed guerrilla organization, which has killed more than 1,500 people since 1969, said it would soon disclose the places it buried nine of its operatives executed secretly for being disloyal to the organization.

In the grisly logic of Northern Ireland politics, this was to put a human face on terrorism by returning bodies to relatives who wanted to give them Christian burials.

The IRA statement Monday night apologized for the delay in returning the victims, but not for killing them.

The IRA has observed a cease-fire for more than 20 months, but has repeatedly stated that it will not surrender a single bullet, an ounce of Semtex explosive.

Unless it does, Protestant leaders say, Siofa Fein will be excluded from the new Assembly cabinet. Sinn Féin points out that the peace agreement does not require disarmament before May, 2000.

BRIEFLY

Banks Ask for Hold On Holocaust Cases

PARIS — France has asked a U.S. federal court to suspend judicial action by Holocaust survivors against French banks in the United States, the French Banking Association said Tuesday.

The association said the French government request to the New York Eastern District Federal Court was based on the grounds that the action disrupted attempts to compensate Holocaust victims in France.

Last week French banks announced restitution measures for the accounts of concentration camp victims, which have remained dormant since World War II. (Reuters)

German Court Says No to Kurd Asylum

BERLIN — Germany's supreme administrative court ruled on Tuesday that two members of the outlawed Kurdistan Workers Party had no immediate right to asylum.

The court said, however, that they cannot be expelled as long as there is a risk that they will be executed or tortured in Turkey. (AP)

Basques Ask UN To Send Observers

VITORIA, Spain — The Basque regional Parliament asked the United Nations on Tuesday to send international observers to the troubled northern Spanish region.

In a resolution, the assembly said such observers are needed to "monitor and analyze" the struggling Basque peace process and municipal elections scheduled for June.

Basque parties seeking more autonomy for the region supported the resolution, which was opposed by those against change. (AP)

Legionnaires' 20th

The world's worst outbreak of Legionnaires' disease has claimed a 20th victim, the Dutch Health Ministry said Tuesday.

All were visitors to the West-Frisian Flora, the world's largest indoor hothouse.

The results of an investigation into the source of the outbreak are due next week. (Reuters)

ASIA/PACIFIC

BRIEFLY

Indonesia to Split Police and Military

JAKARTA — Indonesia's national police force will be separated from the armed forces this week in a move critics hope will render the force more independent and less repressive.

Lieutenant Colonel Salleh Syaaf, a national police deputy spokesman, said Tuesday that the separation would take effect Thursday.

The police force was incorporated into the armed forces in 1966. The incorporation occurred during a period of bloodshed in which hundreds of thousands of people were killed, especially Communists. (Reuters)

Hun Sen Warned On Khmer Trials

PHNOM PENH — An influential U.S. senator warned after meeting Prime Minister Hun Sen of Cambodia on Tuesday that U.S. aid would be at risk if a trial of Khmer Rouge leaders did not measure up to international standards.

Mich McConnell, the Kentucky Republican who chairs a subcommittee responsible for drafting foreign aid bills, said he told Mr. Hun Sen that Washington believed an international tribunal was the best way to deal with the Khmer Rouge, something the Cambodian leader has rejected.

"Aid is not an entitlement," Mr. McConnell said, "and it is conditioned upon a certain type of behavior." (Reuters)

Aftershocks Hinder Indian Rescuers

CHAMOLI, India — Fresh jolts created panic among weary people as rescue workers Tuesday searched for more bodies and survivors in isolated villages in India's lower Himalayas, where a powerful earthquake on Monday killed at least 110 people.

Rescuers and local residents rushed into the open as nearly half a dozen light tremors hit the villages.

More than a dozen bodies were found Tuesday as rescue workers used power tools and townspeople scabbled with shovels and their bare hands to search through the rubble, officials said. (AP)

Carter Defends 1978 Decision to Sever Ties With Taiwan

Compiled by Our Staff From Dispatches

TAIPEI — Amid small but poignant protests and flaring resentment, former President Jimmy Carter on Tuesday defended his decision two decades ago to sever diplomatic relations with Taiwan in order to recognize China.

As one opposition politician demanded that he apologize, Mr. Carter defiantly declared: "I think the decision I made in 1978 was the right one."

Mr. Carter said recognition of Beijing, Taipei's bitter rival since the 1949 civil war, was the key to Asia's security and had helped transform Taiwan into an affluent, pluralist society.

"It was the most difficult decision of

my life," he said of his late 1978 decision, which triggered attacks on Americans and made the name Carter synonymous with traitor in Taiwan.

"I believed this would realize my dream to see a stable and peaceful region," he said in the keynote speech of his three-day private visit before having lunch with President Lee Teng-hui.

Mr. Carter said he owed Taiwan an apology for his decision and added: "I think although the decision was not the cause of or the primary reason for the progress among the people of Taiwan, it was certainly a factor."

In two intervening decades, what then was essentially a U.S. protectorate and

repressive one-party autocracy became one of Asia's most liberal democracies.

In 1979, Taiwan was under martial law, run by the Chinese Nationalist government of Chiang Ching-kuo, who inherited the presidency in dynastic fashion from his father, Generalissimo Chiang Kai-shek. Today, the president is popularly elected.

Still, some still remember Mr. Carter mainly for selling out the Chiangs' exiled Republic of China, which saw U.S. support as key to its dream of "re-taking" the mainland from the "Communist bandit regime" that had defeated it in 1949.

"Get out, Jimmy Carter! Traitor of

the Republic of China!" a handful of activists shouted outside Mr. Carter's hotel.

"Down the American Imperialism," read a sign on a truck parked outside the American Institute in Taiwan, an unofficial agency that replaced Washington's embassy.

Despite cutting Taiwan loose diplomatically, Mr. Carter signed legislation that set up the framework for strong unofficial ties and U.S. military support.

The Taiwan Relations Act, passed in 1979, compelled the United States to sell Taiwan defensive weapons and treat threats to the island with concern.

Mr. Carter said he was impressed by

the "beautiful development of democracy in Taiwan" and pleased to see improved relations between Beijing and Taipei, which have huge unofficial trade and investment ties and a cautious semi-official dialogue.

Though Mr. Carter's severing of ties still stings, many analysts have begun to interpret it as the beginning of the end of authoritarianism in Taiwan.

The snub emboldened what was then an illegal, underground opposition to begin questioning the Chiangs' insistence that the struggle against Chinese communism made it necessary to muzzle the local media and to imprison critics of the government. (AP, Reuters)

China Seizes Youth for an Article and Accuses Him of Subversion

By John Pomfret
Washington Post Service

BEIJING — In the latest episode in a four-month crackdown on dissent, the Chinese police formally arrested a 19-year-old high school graduate Tuesday on charges of trying to "subvert state power," a serious crime that could land him in jail for a term up to 10 years.

Wang Yingzheng was formally booked in Xuzhou, an industrial city in northern Jiangsu Province, according to a Hong Kong-based human rights organization. He had been in custody since Feb. 26, when police arrested him as he was photocopying an article he had written on corruption.

Mr. Wang graduated from high school last year.

Frank Lu, director of the Information Center of Human Rights and Democratic Movement in China, said he feared that Mr. Wang would be sentenced to a long term because subverting state power is a serious crime in China.

Mr. Wang's article said that deep-seated corruption within the Communist Party disqualified it from the right to lead the nation.

Mr. Wang's arrest is the latest in a crackdown that began in December on attempts to form China's first opposition party, the China Democracy Party. The crackdown — the most serious in China in several years — has landed three men

in jail for prison terms of 10 years or longer.

It has also widened to include the closing of at least one magazine and a roundup of a group of Beijing activists who were not related to the founding of the opposition party.

Mr. Wang is specifically accused of helping one of the party's founders, Qin Yongmin, a dissident who was sentenced to 12 years in jail in December.

Mr. Wang's arrest comes ahead of an important visit to the United States by Prime Minister Zhu Rongji next week. A flurry of diplomatic activity is occurring in Beijing in preparation for that trip.

Negotiations on China's entry into the World Trade Organization continued

Tuesday in Beijing.

China has also begun another round of doling out favors to American firms. Earlier this week it announced it would accept an American mobile phone technology for use in China.

Chinese officials said that China would grant licenses to two or three more U.S. insurance companies.

A group of U.S. senators, meanwhile, is in China to meet with leaders to discuss congressional concerns about U.S.-China relations. The leader of that group, Craig Thomas, Republican of Wyoming, chairman of the Senate Foreign Relations subcommittee on East Asian and Pacific affairs, said the Chinese were in "denial" about the difficult nature of

U.S.-China relations.

Mr. Thomas said U.S. senators, in meetings with senior Chinese leaders, including Li Peng, one of the three top Communist Party officials in China, had difficulty convincing them about the depth of U.S. concerns on China's human rights record, allegations that Chinese spies stole nuclear weapons secrets from U.S. labs, China's \$57 billion trade surplus with the United States and China's continued threats against Taiwan.

"We basically said, 'Help us a little bit with these things so we can get confidence back in the United States about this relationship,'" Mr. Thomas said in an interview.

"Mostly, we ran into a denial situation — that none of these things were really true. That's not a very good message to try to sell back home."

Mr. Thomas, who has backed engagement with China, said the disturbing thing for him was that "progress that went on for the last 10 years has slackened off."

The senator said he believed the Chinese leadership was extremely concerned about domestic unrest, especially because this year marks the 10th anniversary of the Tiananmen Square crackdown. "They are very uncertain about their future," he said.

Of particular sensitivity, he said, was talk about the Dalai Lama, the spiritual leader of the Tibetans, who has been exiled from China for 40 years.

On Tuesday, a report on the human rights in Tibet charged that one in 33 Tibetans male political prisoners and one in 20 female prisoners held in Tibet's main Drepung Prison since 1987 died of maltreatment.

The London-based Tibet Information Network also charged that about 25 percent of the prisoners had been abused.

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INTERNATIONAL

Bonn Scorns Milosevic's Bid for Talks

Plan Brought by Russian Rejected by Schroeder

Compiled by Our Staff From Reuters

BONN — Chancellor Gerhard Schröder said Tuesday that the Yugoslav proposals brought by Prime Minister Yevgeni Primakov of Russia were unacceptable as a framework for negotiations to end the Kosovo conflict.

"The proposals brought by Prime Minister Primakov are no basis for a political settlement," the German chancellor told a news conference after a meeting with the Russian leader.

Mr. Primakov flew to Bonn from Belgrade, where he met earlier Tuesday with President Slobodan Milosevic of Yugoslavia.

Mr. Milosevic said that he was ready to resume the Kosovo peace talks if NATO stopped bombing Yugoslavia.

Western officials, however, demand a halt to Serbian operations in Kosovo and the deployment of alliance troops in the Serbian province.

Mr. Schröder said Mr. Milosevic must send the West a clear signal of his willingness to enter serious peace talks and to respect peace agreements.

"The first and most significant signal must be the complete withdrawal of military and paramilitary forces from Kosovo so that the killing in this part of Europe can be stopped," he said.

Mr. Primakov said that Yugoslavia could reduce its troops in Kosovo if NATO stopped air strikes. Mr. Schröder said he would be passing on Mr. Primakov's report to the other 18 members of NATO and that Russia's "constructive role" in seeking a political solution to the crisis had not ended.

Mr. Schröder said that he believed that Mr. Primakov would return to Moscow without holding any further consultations with the Western alliance.

The Russian prime minister said that the pledge by Mr. Milosevic was the outcome of six hours of talks between the two leaders in Belgrade.

Mr. Primakov spoke to reporters after arriving in Bonn to brief Mr. Schröder, who currently chairs the 15-nation European Union.

A statement from Mr. Milosevic repeated past demands that the North Atlantic Treaty Organization must stop bombing before he would agree to halt operations in Kosovo or agree to peace talks.

"To open the space for negotiations, aggression on Yugoslavia has to stop immediately," said the Milosevic statement.

Mr. Milosevic also called for NATO troops in neighboring Macedonia to be removed and for a halt in alleged NATO support for the Kosovo Liberation Army, the ethnic Albanian rebel group.

He called ending the NATO attacks and finding a peaceful solution for Kosovo "of utmost importance for the future of the Balkans, which is at the brink of a new explosion."

"Milosevic," the Russian leader said through an interpreter, "is ready to find a political solution to all issues if the bombardment stops."

Mr. Primakov said that Mr. Milosevic was ready for "constructive negotiations."

He said Mr. Milosevic wanted the goal of the talks to be "that the interests of all groups in Kosovo must be maintained" — a reference to the Serb minority in the largely ethnic Albanian province of Yugoslavia.

Mr. Milosevic also pledged to reduce Yugoslavia's military presence in Kosovo if NATO stopped its strikes, according to Mr. Primakov.

The Russian prime minister also indicated that Mr. Milosevic is insisting on steps to disarm ethnic Albanian rebels.

Earlier, Germany's defense minister, Rudolf Scharping, told reporters that Mr. Milosevic "will try over the next two to three weeks to turn Kosovo into a region of destroyed villages where the adult male population will have been interned or killed and the rest driven out or fleeing."



Prime Minister Primakov, left, conferring Tuesday with President Milosevic on proposals for a peaceful solution.

Yeltsin Vows to Avoid Balkans Crisis

'Russia Has Made Its Choice,' He Tells Parliament in Annual Speech

By Celestine Bohlen
New York Times Service

MOSCOW — Amending his annual state of the state speech to take account of the war in Kosovo, President Boris Yeltsin told political leaders Tuesday that Russia "will not allow itself to be drawn into military conflict."

The president's words came at the start of a speech that presented Russia as a country at a critical historical juncture, in danger of being relegated to a second rank of nations if it failed to overcome its political divisions and economic weaknesses.

Mr. Yeltsin again condemned the NATO strikes against Yugoslavia, which in the last week have drawn a belligerent reaction from Russian opposition leaders, who have called for renewed military aid to Belgrade and the dispatching of volunteers to fight with Serbs in Kosovo.

But the president appealed for responsible actions, rather than "emotional assessments." "More and more political leaders understand that in such situations brute force does not achieve anything," he said. "Russia has made its choice."

As Mr. Yeltsin spoke Tuesday in the

Kremlin before both houses of Parliament and as members of his government, Prime Minister Yevgeni Primakov, accompanied by top diplomatic, military and intelligence officials, traveled to Belgrade and Bonn on a mission to try to bring about a political settlement in Yugoslavia.

With the outcome of those talks still hanging in the balance, Mr. Yeltsin told his audience that in striving to bring peace to the Balkans, Russia was not neglecting its "prime duty," which, he said, "is to prevent any discord inside the country."

"Our weight in the world arena depends on how we solve our problems at home," he said. "This means that we need order in government, accord in society, stability in the economy and the social sphere."

Mr. Yeltsin's appeal came as the first wave of anti-Western hysteria, which peaked Sunday with a gun attack on the U.S. embassy, subsided.

In a reminder of Russia's dependence on international goodwill, Mr. Primakov struck an agreement Monday with Michel Camdessus, managing director of the International Monetary Fund, on the broad outlines of a plan to relieve Russia's foreign debt burden.

In Russian newspaper and television reports Tuesday, more information was provided about the reasons for the mass exodus from Kosovo, as refugees gave accounts of being rounded up by Serbian policemen and forced out of their homes. Until now, official Russian spokesmen have insisted that the refugees were fleeing NATO bombs, and that reports of "ethnic cleansing" were nothing but Western rumors and propaganda.

Speaking in a steady voice, Mr. Yeltsin described Russia now as a country stuck between two economic systems. "We've created a freakish model," he said. "A hybrid of the two systems."

He called on the Primakov government to move ahead with an economic program. "It is just six months before the start of elections," he said. "This time will have to be used not only to patch up holes. It is high time to identify the new priorities, chief among them Russia's economic competitiveness."

Analyzing the causes of Russia's financial collapse last August and fall, he pointed the finger at the opposition-dominated lower house, which, he said, in rejecting the government's fiscal program, had sent "a bad signal to investors."

Ex-Paraguay President Finds Asylum in Brazil

He Leaves Behind a Badly Shaken Nation

Compiled by Our Staff From Reuters

ASUNCION, Paraguay — The Brazilian Air Force plane dipped down out of rainy skies, stopped for mere minutes at Asuncion's airport, then took off with Paraguay's disgraced former president aboard.

Raul Cubas left the country for his first day of political asylum in Brazil on Tuesday, while his successor struggled to unify a country wobbly from a political crisis marked by an assassination, riots and an impeachment trial.

The plane carrying Mr. Cubas and his family touched down early Tuesday in Itajai, about 700 kilometers (420 miles) southwest of Rio de Janeiro, airport authorities said.

News reports said Mr. Cubas went immediately to nearby Camboriu, a resort where he has an apartment.

The former president had taken refuge late Monday at the Brazilian Embassy residence in Paraguay while Brazil considered his asylum request.

Mr. Cubas faced impeachment and resigned amid turmoil that erupted with the assassination March 23 of Vice President Luis Maria Argana.

Mr. Cubas will probably get permanent asylum in Brazil, Foreign Minister Luiz Felipe Lampreia said Tuesday.

"It has been a long tradition in Latin America, since the 1920s, when there were many dictators in the region, and I feel it very important to preserve it," Mr. Lampreia said in an interview with Globo Network TV. "Normally we give asylum for a set period of two years, renewed. But there's still no decision in this case. He has a lot of ties to Brazil."

Mr. Lampreia said President Fernando Henrique Cardoso had telephoned Mr. Cubas on Sunday, when Paraguayans rioted in the capital and "we all feared a bloodbath."

Brazil has a vested interest in Paraguay's stability. Some 300,000 Brazilians live in Paraguay, and the two countries are co-owners of the huge Itaipu dam on their common border, which supplies 30 percent of Brazil's electricity.

Brazil is also the adopted home of Alfredo Stroessner, the former Paraguayan dictator who fled into exile when he was overthrown in 1989.

Mr. Cubas's arrival in southern Brazil came just hours after the man viewed as his political master, Paraguay's former army chief Lino Oviedo, won asylum in Argentina. Mr. Oviedo fled Paraguay after Mr. Cubas resigned.

Paraguayan legislators and the state prosecutor sought the arrest of Mr. Cubas for failing to prevent riots Friday in which 6 people were killed and 200 were wounded. The unrest was triggered by the slaying of Mr. Argana by gunmen in military uniforms.

In Paraguay, however, the arrival of

Luis Gonzalez Macchi as the country's new president does not guarantee months of bickering among the country's politicians has come to an end.

The abrupt transfer of power was the latest evidence of the fragility of youthful democracies across Latin America. Ten years after the fall of General Stroessner's dictatorship, Paraguay is still trying to step out of the long shadow of his 34-year rule.

Some observers skeptically watched the crisis unfold over the past week, calling it one of the more bitter, and certainly more bloody, manifestations of the feuding within the Colorado party that has ruled through dictatorship and democracy since 1947.

"Poor Paraguay. Another stage in the warfare within the Colorado," said Riordan Roett, director of Western Hemisphere programs at Johns Hopkins University. "It's been a decade of rivalries and factions."

The crisis sparked by Mr. Argana's killing led to the removal of one of the most divisive figures from the Colorado party: Mr. Oviedo. Mr. Cubas, a close ally of Mr. Oviedo's, lost most of his support within the Colorado Party only days after taking office in August when he freed the former general from jail, where he was serving a 10-year sentence for spearheading a 1996 coup attempt against President Juan Carlos Wasmosy. Mr. Cubas's opponents threatened him with impeachment and his own brother resigned as commerce minister, loudly criticizing the decision.

Juan Carlos Galaverna, a lawmaker, said at the time that Mr. Cubas had "freed the man that could begin a diabolical plan to persecute everyone who he thinks is not with him."

Opponents of Mr. Oviedo call him a throwback to the strongmen who ruled many South American countries during the 1970s and '80s. He enjoyed support in Paraguay's countryside where he often gave rousing speeches in the indigenous Guaraní language.

(AP, Reuters)

BRIEFLY

U.S. Asks EU Help On China Censure

GENEVA — The United States appealed to the European Union on Tuesday to back its efforts to censure China before the UN Human Rights Commission.

"There has been a deterioration in the human rights condition over the past year," said Harold Hongju Koh, a U.S. assistant secretary of state, voicing concern about the "deprivation of the right to democracy and the right of political participation."

The State Department announced Saturday that it would revive efforts for the 53-nation human rights commission to criticize China. China instantly warned that the U.S. bid would fail — as it has done in the past.

(AP)

For the Record

Two of Mexico's biggest banks, Grupo Financiero Bancomer SA and Grupo Financiero Serfin SA, have agreed to plead guilty to criminal charges of money laundering in cases stemming from a major investigation into the movement of illegal drug profits. Strong pressure had been exerted by the Mexican government to have the criminal charges dropped.

(NYT)

Tanzania has arrested a former Rwandan Army officer, Bernard Ntuyahaga, wanted by both Belgium and Rwanda for his alleged role in the 1994 genocide, paving the way for his extradition. A Tanzanian official said Tuesday.

(AP)

BLAIR: Out in Front in Conflict, Britain Is Leading the Cheers for NATO's Kosovo Role

Continued from Page 1

Britain also actively participated.

"We are showing places being bombed close to where they have been on their holidays, and that tends to keep the concentration span going," a BBC senior officer told The Times of London.

The British press has been largely supportive, from the characteristically jingoistic tabloid Sun ("Clobber Slobbs") to papers on the center left like The Guardian and The Independent, both of which have championed the intervention and urged Mr. Blair to reconsider his refusal to send in the infantry.

Mr. Blair has argued that combat troops are not an option because of the numbers needed and the time it would take to assemble them.

Britain's aggressive commitment to the air strikes in Yugoslavia and the passion

with which Mr. Blair has been projecting it as justified intervention to protect the oppressed are a marked departure from the conduct of the government of his Conservative predecessor, John Major, when confronted with Serbian repression and violence in Bosnia in the early 1990s.

The British then were reluctant to get immersed in a civil war situation they were not convinced affected them and dubious about U.S. involvement there.

On becoming prime minister, Mr. Blair established a more assertive British foreign policy, saying his purpose was more to follow broad international ethics rather than strict national interest.

Britain's arms sales to developing nations and its in-

volvement in some West African political crises have called that pledge into question, but in the Balkans, the new objective has been followed and backed up with military force.

"There has always been a strong tradition in the Labor Party that you should only fight wars for strongly moral reasons," said Vernon Bogdanor, professor of government at

Oxford. "People do feel revolted when they see ethnic cleansing; it reminds people too much of the Nazis."

Asked if Mr. Blair's personal motivation played a role in Britain's current stance, Professor Bogdanor said, "It's fair to say that Blair feels very strongly about it because he tends to see things from a moral point of

view. "He believes in rights and responsibilities at home, and he does abroad too. He wouldn't be fighting if it were just a matter of great power politics," the professor said.

In power terms, the size and skill of its military and its willingness to use force has given Britain more impact abroad than other European countries.

Britain is trying to assert itself in Europe at an awkward moment since it is not among the countries participating in the Continent's grand new venture, the adoption of the euro as the common currency.

Adding to the impression that the communications war is one being waged with an English accent is the fact that the two daily briefers in Brussels, Jamie Shea, the chief North Atlantic Treaty Organization spokesman, and Air Commodore David Wilby, his unarmored aide, are both British.

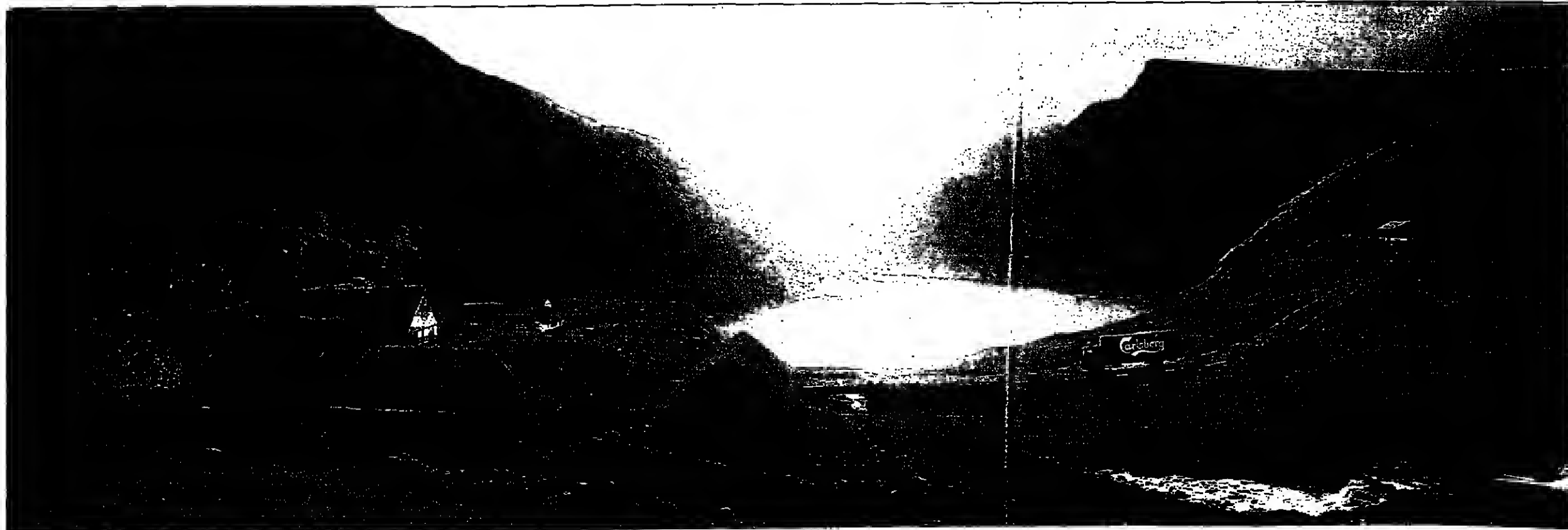
London's closeness to Wash-

ington under Mr. Blair has made Britain suspect in many European capitals, though Mr. Blair argues that his warm relationship with President Bill Clinton should be viewed by other Europeans as enhancing his influence.

White House officials, asked about the American-British alliance in Washington last month, said it was the strongest it had been since World War II. Mr. Blair's assertiveness came in for particular praise.

"Blair himself has a real grasp of foreign affairs, and we've been able to get around all those lawyers in the Foreign Office," an official said.

By way of illustrating the intimacy the two governments enjoy, the aide said that among the instant access buttons on the phone of the national security adviser, Samuel Berger, was one connected directly to Sir John Holmes, his counterpart at 10 Downing Street. "And it's used every day," he added.



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In the Quiet Skies Over Yugoslavia, Voices of the Pilots Tell It All

By John Tagliabue
New York Times Service

AVIANO, Italy — The American pilots flying the attacks on Yugoslavia exchange few words, but probably no one reads their moods and fears more closely than a 32-year-old Air Force staff sergeant from Thornstown, Indiana.

For the past five nights, the sergeant, who will identify himself only as Dave, has hunched in what he calls "The Black Hole," the windowless bay of a Lockheed EC-130E command-and-control aircraft crammed with electronic equipment.

Circling in the dark skies over Yugoslavia, he helps to herd, like a hen with her chicks, the NATO warplanes flying their sorties and links them by radio with NATO's ground command in Vicenza, Italy, an hour's drive south of Aviano. When trouble comes, the sergeant says, it rings

first in the pace of the pilots' words and the timbre of their voices.

"You know if the tempo has been speeded up by the voice tone," he said. "It's a very real environment, and you can hear it."

Meeting reporters on the tarmac, he and fellow crew members talked of Serbian efforts to jam their equipment, of the adrenaline charge they experienced when Serbian weapons brought down an Air Force F-117A Stealth fighter on Saturday and of the boost to morale when a joint effort retrieved the pilot unharmed hours later.

NATO is fiercely shielding the identity of crews flying over Yugoslavia, to protect them in case of capture, so no family names were disclosed.

"The fact that they shot a 117 down shows they are not quitting," a major named Tim, 43, said of the Serbian defectors. The major, from Pomfret, Connecticut, commands the 16 crew members in the EC-130E's black box.

The fighter pilots, the major went on, talk about going "in country" or "downtown" when they swoop into heavily defended areas, and then usually they fall silent.

"Believe it or not," he said, "they don't talk very much. They could drive in, and all the way out, without saying a thing." He paused, and added, "And that's the preferred way."

The plane is older than most crew members, who are mainly in their 20s and 30s. It was built in Marietta, Georgia, in 1962, and a plaque in the cockpit notes that it was one of two that flew into Iran in 1980 in a failed attempt to bring out the American hostages in Teheran.

It is one of three from the 42d Airborne Command and Control Squadron that have been deployed, with 100 fliers and ground crew members, to Aviano since 1995 from Davis Monthan Air Force Base in Tucson, Arizona, to patrol the skies over Bosnia, and now for the attacks on

Yugoslavia. Nicknamed "Mad Dawg" by the crew, it also served in Vietnam.

A staff sergeant from Heavener, Oklahoma, Connie, 27, one of two radio operators aboard the plane, was aloft on Saturday when the Stealth fighter went down.

"When we heard him do a Mayday and he was going down," she recalled, tension tightening her voice, "we were all worried about him, and then we went into our job mode."

Crews fly 12-hour shifts, and she was still flying hours later when news came that the pilot had been snatched from Serbian territory, thanks in part to the EC-130E's communication links.

"Our whole plane erupted," she said, now smiling broadly. "The excitement inside was deafening."

American military forces have seen little such combat since the 1991 Gulf War, and for most crew members it is their first experience of real danger.

But a captain from Pennsylvania, Dave, who is the EC-130E's pilot, emphasized that there was "absolutely no complacency."

"Every threat is a danger," said the captain, a pilot for five years, "and there is a high level of danger every night. Like they say, we're paid to go out. We're not paid to come back in."

He added, in a slow, deliberate voice, "Of course, everyone wants to come back."

While the Stealth pilot was on the ground, the captain, who was not in the air that night, remained "glued to the TV set." The quick rescue, he said, was a "big morale booster."

He and his crew talked of their pride in being here.

"I think it's a real honor," he said. He paused, reflected and added: "It's unfortunate that things like this happen. But we're happy to be able to do something about it. And we're happy to be on this side."

KOSOVO: Refugees Recount the Terror

Continued from Page 1

he was able to identify only five of the corpses, brothers also named Rexhepi: Shani, Nalim, Njazi, Dever and Teki. One of the bodies was that of a teenager, he said.

Mr. Rexhepi and the boys returned to the hills. By Sunday, 5,000 people from villages in the area had gathered there. As Yugoslav forces surrounded them, the villagers took a woman's white handkerchief and attached it to a stick. A man stood up and waved it.

The Serbs gathered the refugees, separating the men from the women. They were walked in two columns, the men holding their hands behind their heads, for eight kilometers (five miles), Mr. Rexhepi said. They were then loaded onto trucks and driven within three kilometers of the border, where they were ordered to walk the rest of the way.

The march was a trail of horror, he said. A 22-year-old, Ayim Ramdani, suspected of being a member of the Kosovo Liberation Army, which has fought a yearlong insurgency against Serbia, was pulled out and shot in front of his parents, Mr. Rexhepi said.

A deaf and mute man, Vefai Rexhem, who did not understand when a Yugoslav soldier told him to give a three-finger Serbian salute, was taken from a column of refugees Sunday and shot in the head in front of his wife and two children.

Mr. Rexhepi said that others were struck with rifle butts, but that he was not assaulted. He said that those were the only two killings he witnessed on the march to Albania, but he said that other

men who started in the long column were missing when they reached Albania.

No one knows what became of them. As he spoke, other men from Celin said: "That is what happened."

It was also on Thursday morning that Serbian forces began to shell the village of Terna in central Kosovo, said Ramada Shagiri, 37, a carpenter. He hid in his house with his family, including his wife and two children. They heard an explosion and gunfire, but assumed it was part of the general assault on the village.

As the barrage eased, his wife ran next door, he said. When she entered the basement of the Gashi family compound, she found the first of 37 bodies, including the 67-year-old family patriarch, Myslym Gashi.

Mr. Shagiri, who ran over to answer his wife's calls, said it appeared that Serbian forces had tossed a grenade into the midst of the cowering family and then opened up with automatic weapons. He said some bodies also bore knife marks on their faces, as if they had been slashed posthumously.

"We saw the bodies with our own eyes," he said. "We have heard of many massacres. But we saw the Gashi family. They were massacred."

Mr. Shagiri said that he and his wife and children fled to the neighboring village of Leshan for shelter before they, too, were rounded up and brought to the elementary school. He confirmed that the crowd of refugees was forced to shout "Long live Serbia" and give three-finger salutes.

During the day, Mr. Shagiri was separated from his wife and daughter. Monday night, he sat by the side of the road in Kukes waiting for her with his two brothers and a sister-in-law. Their possessions had been reduced to a single bag of clothes and a plastic bag with some bread and Coca-Cola.

"One day we will go back to Kosovo," he said. "That's our land."

At noon on Saturday, Shagiri Zhushi stood in a long line with 11 relatives and thousands of other ethnic Albanians, waiting to pass a checkpoint established by Serbian troops on a bridge in the western Kosovo city of Pec. After a long night of shelling by government forces, all the residents had been ordered that morning to abandon their homes and never return.

They stood two abreast in the line. As each person reached the checkpoint, Mr. Zhushi said, soldiers examined their documents and searched for money and jewelry. In the background, scores of homes were already aflame.

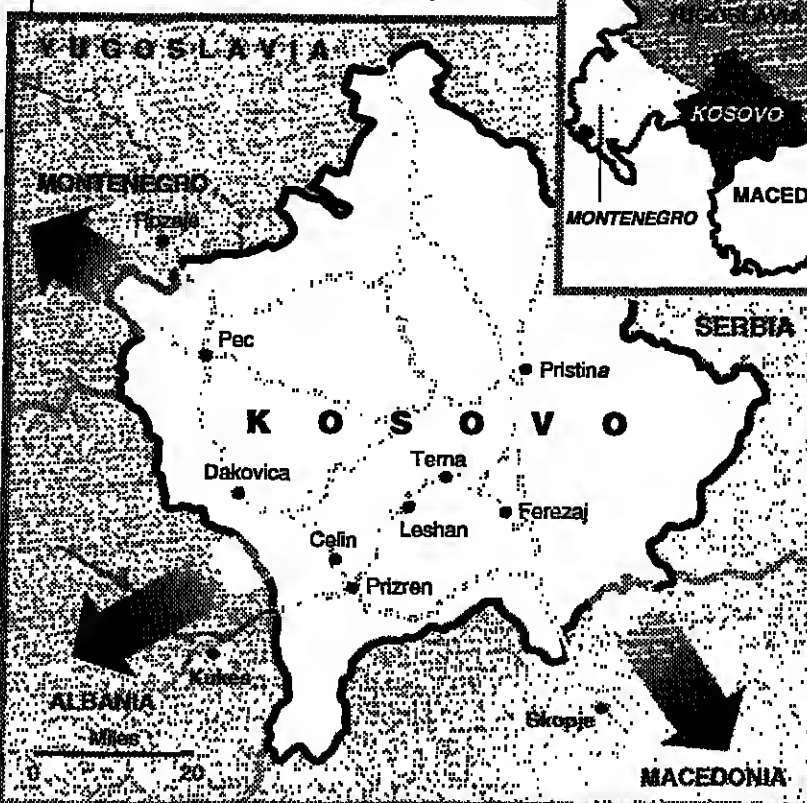
As Mr. Zhushi, 39, neared the troops milling around the checkpoint, a soldier caught his eye and told him to step out of the line. It was a man named Jura, a Serb who had worked with Mr. Zhushi for 17 years on the same assembly line at a factory in Pec that made industrial batteries. They had gotten along well, Mr. Zhushi recalled.

He knew that Jura, like most Serbian men in Kosovo, had kept both a military uniform and a gun on hand. He had not seen Jura for the last eight months, when conflict between Serbs and ethnic Albanians had grown more violent.

Jura and several others separated Mr. Zhushi from his family and pushed him into a shop beneath the bridge that the

The Whole of Kosovo Has Moved
Thousands of ethnic Albanians continue to flee Kosovo in one of the largest mass movements in Europe since World War II.

Main refugee routes. Some of the villages attacked by Serb forces.



The Religious Background

• Serbs are primarily Orthodox Christian. They revere Kosovo as the heart of their medieval empire and their Orthodox Church. In 1389, a legendary defeat there started the Serbs' struggle to preserve their faith under Ottoman Turkish rule.

• Ethnic Albanians are mainly Muslim. They hope for independence. In 1992, they set up a shadow government to resist the Serbs nonviolently. A rebel group, the Kosovo Liberation Army, rose from that failure.

The Ethnic Mix

Population (million)	Ethnic make up
Serbia	8.5 82% Serb, 4% Hungarian, 14% other
Montenegro	0.8 87% Montenegrin, 13% other
Kosovo	2.1 90% Albanian, 10% Serb, Montenegrin
Macedonia	2.0 65% Macedonian, 22% Albanian, 4% Turkish, 2% Serb, 7% other

Sources: NYT, CIA World Fact Book, United Nations High Commissioner for Refugees

military had commandeered for interrogations. There, Jura and four other men, including three wearing ski masks, kicked Mr. Zhushi on the legs and back with heavy boots, he said.

They accused him of having previously lived several kilometers south of Pec in a town called Loda, which last year was a stronghold of the Kosovo Liberation Army and the site of several clashes between the rebels and government security forces.

Jura looked straight at him and said, "Choose which one you want to kill you."

"I felt that it was finished for me," Mr. Zhushi recalled Monday. His first inclination was to say, "Do whatever you like." But he finally replied: "My brother saw when you picked me on the bridge, and he knows you, too. I'm not the person you're looking for."

The prospect of a witness evidently made Jura more cautious, and he demanded to know where Mr. Zhushi's brother had gone. "I said, 'He's gone.' And then I was released."

Afterward, he made his way to the Yugoslav republic of Montenegro, joining more than 20,000 others who have fled there from Pec in the last few days. He said he had no idea what had become of his two brothers, two sisters, mother, aunt, and his three sons aged 9, 6, and 5. He hopes that they arrived safely in Montenegro and that he can eventually find them.

When seven heavily armed men forcibly entered the home of 73-year-old Haxhi Smajlaj at 3 P.M. on Saturday, all of them dressed in black and wearing large Orthodox Church crosses on gold

chains, their first questions were about money.

Mr. Smajlaj, a farmer who shared a compound in Pec with three sons, five daughters and three other relatives, said he surrendered 200 Deutsche marks (\$109). When they asked for jewelry, his two daughters-in-law handed over all the jewelry they had received on their wedding days.

After shooting at some of the walls, the men left the house in the Dardaniya neighborhood of Pec. But later in the afternoon, two others wearing dark-green camouflage uniforms came to tell Mr. Smajlaj and his family that they would have to leave immediately. Otherwise, one of them said, they would be killed.

Similar orders were given to thousands of others in the neighborhood, who soon filled its narrow streets, he said.

Mr. Smajlaj and his family dutifully filed outside, and a neighbor, a Serb, noticed their distress. The neighbor complained to the troops, but they ordered him to shut up. "Why are you trying to help him?" they said. "He's an Albanian."

The last to leave the yard was Mr. Smajlaj's 17-year-old son Rexhep, and one of the soldiers pulled him aside. Mr. Smajlaj attempted to intervene but he was struck on the back of the neck with a rifle butt, he said.

"They took him and put him behind the house," he said. "We were forced to go away, to leave" without him.

After arriving Sunday in a Montenegrin border town, Mr. Smajlaj sent his daughters on but stayed behind himself. Asked why he was walking up and down in front of the bus station

Monday, scanning the crowd, he said: "I am waiting for my 17-year-old son to come."

They crossed from Kosovo into neighboring Macedonia squeezed into a truck — 57 refugees in all, including 27 children of all ages. They came from the central Kosovo town of Ferezzaj. Because of the relatives they left behind, they did not want their family name identified beyond a single letter: the "B." family.

On Thursday, Serbian troops entered Ferezzaj and began to take up strategic positions, among them ethnic Albanians' houses on high ground. Then they sought out the largest and most opulent houses in the city to convert into barracks for small units.

Regular soldiers, paramilitary groups and civilians broke into grocery stores and pharmacies, looted them and set them ablaze.

Meanwhile, columns of refugees from the countryside began to arrive, including relatives of the B. family. "Serbs came into the villages and told us, 'Leave or die. You called for NATO to come. Let them save you,'" a family member said.

Neighbors began to arrive at their door as their homes were taken by troops. At night, explosions from NATO bombing echoed in the town. The families, their numbers finally swelled to 57, covered in the basement.

"We had prepared," said the leader of the group, a young, curly man. "We had bread. That's all we ate for three days. The electricity was out. We knew nothing about the outside world except for the bombs."

On Sunday, peering out an upstairs window, they saw Serb soldiers seizing a house down the street. It was time to run. Carrying only some clothes for the children, they climbed into a covered two-ton truck and drove away. No one at roadblocks stopped them.

"I only think they wanted us to leave, or it was God's help," the young man said.

Chahir Gahi's last meal in Elezhan, a village in southern Kosovo, was a plate of beans he was sharing last Friday with seven neighbors. It ended when the front door was beaten down with rifle butts.

Serb soldiers held AK-47 rifles at the necks of the diners. "They told us, 'You want a Kosovo state, now see what you get,'" said Mr. Gahi, a lanky 55-year-old former cement factory worker.

In Kosovo homes, it is the custom to leave shoes at the door. Mr. Gahi and his friends had no time to put theirs on.

"I didn't even think about the shoes. We just got up and left." His brother, Cefet, was with him. He had been driven from another village. Serbian soldiers pointed guns at his belly and told him to go to Kacanik, but he refused, having heard that soldiers were occupying the town. The brothers' wives were already in Skopje, the capital of Macedonia.

"They left two weeks ago," the brother said. "They said there would be trouble once NATO began to bomb. I thought it was silly. I didn't want to abandon the house."

The brothers are now living in a house in an old neighborhood of winding alleys and Turkish balconies in Skopje. Eleven refugees are sheltered there among the usual 11 inhabitants.

Mr. Gahi said he would return to Elezhan, although he is certain his house has been burned. "I only regret that I had no time to untie the cows to let them graze," he said.



An ethnic Albanian boy crossing the Yugoslav border Tuesday into Albania, near the town of Kukes.

CLARK: Wider Range of Targets Sought

Continued from Page 1

acknowledge strong differences of opinion about taking the bombing campaign to a new and more dangerous level.

General Clark has sought permission over the last two days to launch cruise missile strikes against the Interior Ministry and police headquarters in Belgrade, where Serbian military operations in Kosovo are being orchestrated.

But his request was turned down because several European governments were troubled by potential civilian casualties in the urban area where the Serbian police and military brain trust has its offices, NATO sources said.

The United States and Britain have backed General Clark's request to escalate the bombing campaign, even if it entails greater risks.

The North Atlantic Council, which brings together ambassadors from the alliance's 19 member states, was meeting in emergency session Tuesday night. It was making another attempt to reach a consensus on granting permission to move to a "phase 3" level of air operations that would allow attacks against the widest possible range of targets.

The United States has responded to General Clark's pleas by sending five B-1B bombers, five EA-6B Prowler aircraft designed to confuse enemy radar systems, and about 10 refueling tankers to reinforce the bombing campaign.

Britain has agreed to provide eight extra Tornado bombers and four more Harrier jump jets that are effective in providing close air support.

NATO military planners said that the extra attack planes were necessary to

cope with the changing nature of the bombing campaign, which will be rapidly accelerated to a degree that makes some of them uncomfortable.

"Some of us would prefer a larger margin of safety," said one of them. "We are really going to be pushing the envelope."

Despite an impressive armada of nearly 400 warplanes and an untold number of Tomahawk cruise missiles, NATO's air operations in the first seven days have been hampered by bad weather and strict instructions that require pilots to avoid undue risks of collateral damage and civilian casualties.

As a result, senior alliance diplomats said, many planes sent on bombing runs were returning to base without having dropped their ordnance.

They estimated that as many as half of all air combat sorties have not been able to attack their assigned targets, largely because of unacceptable risks posed by foul weather, the proximity of civilian sites and dispersed anti-aircraft missiles that still make Yugoslavia's air defense system a formidable threat.

The frustrations have provoked tensions between the United States and some European allies over whether to give General Clark a mandate to attack command and control centers, communications lines and military infrastructure across the entire country, including downtown Belgrade.

"We have all been taken back by the brutality of the Serb operations," a senior alliance diplomat said. "These are people without a lot of scruples who are out of control. Milosevic has changed the rules, and maybe it's time for NATO



General Jean-Pierre Kelche, the French chief of staff, speaking Tuesday, said more than 40 French planes were taking part in the operations against Yugoslavia. An opinion poll in L'Express said more than half the French people would support the use of ground units if the war spread.

to change some rules of its own."

On the first day of the bombing campaign, General Clark warned that allied air strikes would "degrade, devastate" and, ultimately, "destroy" the Yugoslav armed forces.

He also emphasized that the Yugoslav president, Slobodan Milosevic, and his military leadership would enjoy "no sanctuary" from NATO bombing raids.

Senior NATO diplomats said that U.S. frustrations were growing because of the cumbersome process of trying to reach unanimous approval among 19 governments on an acceptable plan of

operations in the middle of a bombing campaign against an adversary that has shown no compunction about committing what many legal experts consider war crimes in the forced expulsion of the Kosovo population.

"As far as having an impact on the agenda of the Serb leadership, we are not being very successful," a senior military source said. "We now realize we will need a lot more planes, a lot more luck and put up with a lot more risk if we are going to stop Milosevic from creating a whole new set of facts on the ground and clearing out Kosovo."

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NATO: 'Potential Genocide'

Continued from Page 1

The air strikes have already destroyed half of Serbia's air-defense system in five days of raids, according to the French defense minister, Alain Richard.

Officially, the alliance's terms for cease-fire — that Mr. Milosevic end military operations in Kosovo, start withdrawing his forces and start political negotiations — remained unchanged.

But international outrage over Serbian attacks on civilians and accusations that Mr. Milosevic's actions were tantamount to war crimes could force Western governments to rethink their political objectives.

Robin Cook, the British foreign secretary, said that the hostilities could not end without guarantees for the return of refugees and displaced people — whose numbers reached 570,000 in the last year and were rising fast, according to NATO officials.

Despite alarm around the world about the refugee flight from Kosovo, Western leaders did not offer any hint of readiness to send ground forces to Kosovo, even just to protect a "safe haven" for the ethnic Albanians.

Instead, officials said that they were sticking to the NATO war plan to smash Serbian military strength and ultimately sign a peace deal that would leave Mr. Milosevic in power and give the Kosovars self-rule, but not the independence from Serbia that they want.

Proposing a political escalation to end the fighting, a group of French defense specialists outside the government said that Mr. Milosevic might seek peace in Kosovo if Western governments threatened that they would recognize Kosovo's independence.

Until now, the international plan for Kosovo has rejected independence as unacceptable to Mr. Milosevic and undesirable in general because it might spur Albanian nationalism in the Balkans.

The French strategist and Balkan experts said that NATO had too little time for an offensive to save the Kosovar civilians and that the existing peace proposals would become irrelevant as fighting continued.

Low-flying A-10 ground-attack planes were reported in action Tuesday against Serbian tanks and troops, and NATO officials said that the prime target of the air war now was Serbian forces and paramilitary units.

"We are now into offensive operations around the clock, with more assets entering the order of battle," Air Commodore David Wilby of Britain said at a NATO news conference.

And, he added, "the weather is set to improve" — referring to the cloud cover and rain that have caused numerous NATO missions to turn back when pilots felt they could not trust their high-technology sensors to avoid causing damage and casualties among civilians.

Despite poor weather Monday night, warplanes attacked "numerous targets" in each of 10 areas, four of them in Kosovo, according to Commodore Wilby.

He declined to provide details about damage beyond saying that the attacks were in keeping with the alliance's new objective — interdiction of the Serbian forces' ability to move on the ground.

In contrast with the limited military information, Mr. Shea, the NATO spokesman, painted a picture of dramatically worsening conditions in Kosovo, saying that Serbian forces were killing young males, abusing women and children to the frontier and demolishing cities and towns in parts of the province.

After his reference to the "Great Terror," Mr. Shea said that Serbian units were forcibly emptying and then burning urban centers on a scale and with methodical horror that paralleled the forced evacuation of Phnom Penh, the capital of Cambodia, by Khmer Rouge guerrillas in the 1970s.

Mr. Shea said that President Milosevic had a master plan for Kosovo that was already being put into effect before NATO planes dropped their first bombs on March 24, and he said, would have proceeded even if the alliance had not acted. The difference, Mr. Shea said, "is that before he was doing this with impunity, now he is paying a price."

NATO, Mr. Shea said, is doing its best to get relief supplies into countries around Kosovo. "Mr. Milosevic must not be allowed to invade these countries with refugees," he stressed.

Reinforced, more specialized air power is being moved into the area, including B-1 strategic bombers, which carry cluster bombs designed to destroy tank concentrations.

Initially withheld from combat until Serbian air defenses were reduced, the A-10 aircraft, nicknamed "Warhog" in Vietnam because of its rugged look and tough performance, is escorted into combat by electronic warfare planes to jam Serbian defenses and by strike fighters to hit missile sites that lock onto NATO aircraft.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Terror in Kosovo

Slobodan Milosevic has answered NATO aerial attack with a vicious campaign of terror against the ethnic Albanians of Kosovo, creating a military and refugee crisis of major proportions. The United States and its European allies must respond with alacrity on both fronts, while giving Prime Minister Yevgeni Primakov of Russia a chance to seek a diplomatic settlement. Since the end of the Cold War, NATO has not faced a greater test of its unity or ability to react effectively to a rapidly developing threat to European stability.

Mr. Milosevic's brutality in Kosovo was not caused by the bombing. It began long before the air attacks commenced. It now calls for a sharp escalation in NATO bombing, a step that the alliance started to take on Monday as it turned its guns against Serbian army units in Kosovo.

Although air defense systems, airfields and other military targets in northern and central Serbia must not be neglected, the alliance should concentrate its attacks against Serbian forces that are killing ethnic Albanians and burning their villages as they sweep across Kosovo. If that requires further reinforcement of NATO squadrons with additional U.S. warplanes and helicopters, President Bill Clinton should not hesitate to do so quickly.

Intensified air strikes may not bring the carnage to a halt, but they can slow the Serbian offensive by disrupting supply lines, knocking tanks and artillery out of service and scattering infantry units. Any effort at this point to send arms to ethnic Albanian guerrillas, an idea gaining support in the U.S. Congress, would be unwise.

These forces lack the training to deal with the Serbian army, and it would take weeks to get the arms to them.

Pressure is building in Washington to dispatch NATO ground troops to Kosovo, including Americans. Mr. Clinton should resist this option. The NATO air campaign must be given time to work before other tactics are considered. Assembling a ground force large enough to seize control of Kosovo — as many as 200,000 troops might be required — would take several weeks or more, making the option unsuitable for the immediate crisis.

Much can be done to help care for the tens of thousands of refugees pouring across Kosovo's borders into Albania, Macedonia and Montenegro. Washington has pledged an initial \$8.5 million to international agencies working in the region, and on Monday it was scrambling to make additional resources available. Money, food and medicine are desperately needed. NATO military forces may be needed in Albania to build temporary shelters and to provide food and clothing.

Mr. Primakov's mission to Belgrade may yield nothing, but he should be given a chance to see if Mr. Milosevic is prepared to accept a diplomatic solution. No bombing pause outside Belgrade was necessary during the Russian leader's presence there, but NATO forces needed to hold their fire over the Serbian capital itself while Mr. Primakov was visiting. NATO must either bend Mr. Milosevic to accept the international peace agreement or destroy his capacity to terrorize the people of Kosovo, kill their leaders and drive them from their land.

—THE NEW YORK TIMES

An Exuberant Market

It was only last fall that stock markets in the United States and most other countries were reeling in fear of a possible worldwide recession. That it failed to appear is readily apparent from the fact that the Dow Jones industrial average closed above 10,000 on Monday for the first time — an increase of more than 30 percent in less than seven months.

The Asian crisis that sparked the worries is far from over, and the best thing that can be said about Russia, whose default on its debt precipitated the market plunge, is that the country has not descended into anarchy. Latin American economies remain troubled, with Brazil in a severe recession. Nonetheless, the developed world is optimistic. The British stock market also hit a record high this month, and most European markets have moved up as well, although not to new highs. Even long-suffering Japan seems to be reviving. One reason is that central

banks in all major economies lowered interest rates, spurring economic growth and providing liquidity for stock market speculation.

Contrary to the expectations of most economists, the American economy did not even pause while much of the world was suffering. Instead, consumers benefited from lower prices for commodities and imported goods, and their willingness to spend rather than save more than offset weakness in the manufacturing sector.

There are ample signs of speculative excess in the stock market, most notably in Internet stocks. Corporate profits have not risen nearly as rapidly as stock prices, a fact that is likely to be important when economic growth starts to slow. But for now, America is in love with the market and happy to see rising stock prices as an endorsement of its supremacy in the world economy.

—THE NEW YORK TIMES

Doctor and Killer

Jack Kevorkian dared prosecutors to charge him with murder when he videotaped himself administering a lethal injection to a man he had only just met, and then arranged for the tape to be shown on national television. Dr. Kevorkian had, perhaps, good reason to regard himself as legally untouchable, having been acquitted in the past of multiple charges of assisted suicide. But this time it seems he had gone too far. A jury in Michigan has convicted him of second-degree murder. His horrible career may finally be over.

The facts of the case were never in dispute. Last September Dr. Kevorkian administered a lethal dose of drugs to Thomas Youk, who had Lou Gehrig's disease. In past cases, Dr. Kevorkian had been accused merely of arranging for those who wished to die to take their own lives. This time his role was far more active. To put it simply, he killed Mr. Youk.

The issue of doctor-assisted suicide is, in general, a very difficult one of enormous moral complexity. The issue of Dr. Kevorkian in particular is not particularly complicated. This is a man who has aided in the deaths of many people whom he did not know and had not previously treated and whose mental competency to decide to die he was in no position to assess. Whatever one thinks of assisted suicide, there is something demonic about a free-lance death peddler who seems, as Dr. Kevorkian has over the years, to be so energized by such morbid work. That juries kept acquitting him and that he acquired a

kind of popular following should not obscure the fact that his crusade, despite his medical degree, had nothing to do with the practice of medicine. Particularly not when it led him actually to inflict Mr. Youk's death.

However disturbing Dr. Kevorkian's previous efforts have been, his killing of Mr. Youk crossed a line. This was the crudest kind of euthanasia, and to have treated it as less than wholly criminal would have been to sign off on the least accountable type of "mercy killing." Fortunately, a jury has finally drawn a line.

—THE WASHINGTON POST

Other Comment

Plan Now for Deployment

The stark choice now facing NATO leaders is whether to deploy their own ground troops in Kosovo before much of the province becomes the scorched earth familiar from an earlier campaign of ethnic cleansing in Bosnia. This eventuality has so far been categorically ruled out by the alliance, which means that it has no answer to the question of what happens if bombing alone does not achieve the desired effect. If, after attacking a sovereign state for the first time in its history, NATO fails to get Slobodan Milosevic off the Kosovars' back, it will suffer a devastating blow to its prestige. Its planners should be drawing up options for the deployment of ground troops in Kosovo.

—The Daily Telegraph (London)

Bomb the Serbs, Arm the KLA, Proscribe Milosevic

By Zbigniew Brzezinski

WASHINGTON — NATO is at present engaged in primarily a strategic bombing campaign against Serbian command centers and air defenses. The problem with such a campaign is that it gives the Serbs time to engage in mini-genocide and in mass ethnic cleansing in Kosovo.

Moreover, a strategic air campaign mobilizes not only Serbian but international public opinion against a perceived attack on civilians. And it conditions the Serbs to dig in their heels and wait for a break in Western resolve.

To overcome this condition, three major steps are necessary, each entailing risks but each contributing to a higher probability of eventual success.

The first step involves an immediate shift to a combined strategic as well as tactical air campaign. Presumably this is happening already, but the point is that the tactical air campaign has to be extensive, intensive and persistent. Its object has to be the infliction of maximum casualties on Serbian military formations, and especially on heavy tank and artillery concentrations.

To the extent that Serbian forces are deprived of such assets, the remaining Serbian units will gradually lose their mobility, and their firepower will be drastically decreased. The asymmetry be-

tween them and the Kosovo Liberation Army will thus be significantly reduced.

A tactical air campaign cannot be conducted without some loss of aircraft. Here, too, an adjustment in the prevailing Western outlook is needed. One cannot expect to wage war without suffering casualties. The more intensive the tactical air campaign and the earlier it comes, the higher will be the allied losses.

Yet not to undertake such a campaign means a much more massive number of Albanians killed by the Serbs and a higher level of Serbian confidence that Serbian forces on the ground will be able to achieve Slobodan Milosevic's fundamental political objective: the "cleansing" of Kosovo of its Albanian population. The trade-off, however painful for the West, is thus clearly in favor of undertaking the tactical air campaign at the earliest possible moment, and doing it to the maximum tactical military benefit possible.

The second major step that is necessary is to deprive the Serbs of any illusion that they may be able to retain Kosovo by force of arms, even while absorbing Western air bombardment. That means, in the first instance, a de-

liberate decision by the West to arm the KLA. Such a decision is both politically and morally justifiable, for the Albanians in Kosovo are currently facing the prospect of social extinction.

The KLA is not a force capable of matching the Serbs on the ground, and it is currently woefully underarmed, particularly in anti-tank weaponry. Anti-tank weapons presumably could be air-dropped to some KLA units. A prompt injection of Western arms would boost Albanian morale and send an unmistakable signal to Belgrade that there is no prospect of a Serbian victory on the ground, either politically or militarily.

Should the efforts to arm the KLA and to engage in sustained tactical air attacks prove inadequate, at some point Western public opinion may reach the conclusion that NATO ground forces have to be injected. A decision to that effect can be made only with strong public support, but the political case for such intervention should begin to be made now, especially in view of the atrocities being committed.

The third needed step is to face the fact that Milosevic's dictatorship has now forfeited any moral or political right to continued sovereignty over Kosovo. The original proposed "compromise" formula involved retention of nominal Ser-

bian sovereignty over Kosovo. The barbaric conduct of Mr. Milosevic's military and police has terminated such rights.

It is therefore timely for NATO to make clear that the alliance will not consider any solution that entails the retention of Mr. Milosevic's authority over Kosovo. The purpose of the continuing military operation now has to be political self-determination for the Kosovars, and only a democratic government in Belgrade can be a party to any transitional arrangements that might involve less than that.

Whether one likes it or not, the events of the past week have transformed both the military and the political dimensions of the Kosovo problem. A failure to prevail would precipitate a fundamental crisis of unity within NATO and a more anarchic global state of affairs. That fact should be faced squarely.

Whatever one may think of Western diplomacy and of U.S. leadership during the past few months, the issue now has been joined. If the words "never again" are to have any meaning, a civilized Euro-Atlantic community cannot tolerate genocidal barbarity in its own midst.

The writer was national security adviser to President Jimmy Carter. He contributed this to The Washington Post.

Primakov Should Work to Halt Serbian Crimes in Kosovo

By Strobe Talbott

WASHINGTON — Prime Minister Yevgeni Primakov of Russia was in Belgrade on Tuesday with the stated purpose of stopping NATO air strikes against Yugoslavia and laying the groundwork for a peaceful settlement of the crisis.

As Secretary of State Madeleine Albright stressed to Foreign Minister Igor Ivanov when they talked by telephone on Monday, the precondition for a return to diplomacy is an end to the frenzied slaughter that Serbian soldiers, police officers and paramilitary gangs are carrying out against ethnic Albanians in Kosovo. If that is Mr. Primakov's message to President Slobodan Milosevic of Yugoslavia, the mission may help. If not, it won't.

As befits a democracy, Russia's foreign policy reflects attitudes on its home front. Russian public and parliamentary opinion across a broad spec-

trum has been greatly riled by NATO's action. A number of democratic reformers, including three who plan to visit Washington later this week, have criticized the alliance for fueling the flames of Russian ultranationalism.

Because NATO was founded 50 years ago to deter the Soviet Union, many Russians react viscerally to its continuing existence, its enlargement and, now, its resort to force against another country with strong historical, ethnic and religious ties to Russia.

However, there would be something perverse about Russia's appearing to side with the Belgrade regime in the current conflict. During the past decade, Russia and Serbia have been diametrically opposed in handling their post-Communist transitions. Since the Soviet Union dissolved, eruptions

of bloodshed and repression like the one in Chechnya have been exceptions to the rule.

By and large, the emergence of 15 new independent states has been remarkably peaceful, and many of those states, notably including Russia itself, have moved quickly to join the democratic community.

The breakup of Yugoslavia has been an ongoing horror replete with war, irredentism, mass graves, charred villages, concentration camps and waves of refugees. It is worth pondering how much better off Europe would be today if Serbia had followed the example of Russia, Ukraine and the other former Soviet republics.

It is not hard to imagine how much worse off the whole world would be if anything like the meltdown of the old Yugoslavia had occurred across the 11 time zones of the old Soviet

Union, with 30,000 nuclear weapons in the mix.

The United States and Russia have had their disagreements, but they have accomplished a great deal together on the basis of mutual interest, including in the Balkans. Their troops are still serving together in Bosnia. Along with Britain, Italy, France and Germany, the United States and Russia have hammered out a deal that the Kosovans, at least, have accepted.

In his rejection of international efforts to end the crisis peacefully, Mr. Milosevic has violated an agreement with President Boris Yeltsin and has repeatedly defied appeals from the very men — Mr. Primakov and Mr. Ivanov — whom he planned to receive this week.

For more than a year, diplomats from the United States, Russia and other countries conducted patient, peaceful diplomacy while Belgrade brutalized

— and radicalized — Kosovo. It was only when that diplomacy hit a brick wall that NATO decided that it had to act, especially since Mr. Milosevic was clearly using the talks as a cover for village-by-village devastation of Kosovo.

The escalation of the atrocities since then has crystallized the challenge: This is barbarism in our own time, in the heart of Europe, on the eve of the 21st century.

It is hard to believe that Russians of any stripe would want to defend, or identify themselves with, an abomination against the most elemental standards of decency and a repudiation of much that the Russian people themselves have achieved since they put Soviet communism behind them.

The writer is the U.S. deputy secretary of state. He contributed this comment to The New York Times.

Washington Needs to Find a Better Solution for Kosovo

By Thomas L. Friedman

TOKYO — NATO has made its point that it is serious about degrading the Yugoslav army. And President Slobodan Milosevic of Yugoslavia has made his point that you can pound, kill and curse the Serbs, but you cannot make peace in the Balkans without them. Now it is time to get back to the negotiating table before this situation spins out of control.

I believe there is still a basis for a deal, but the Clinton team has to be much clearer about U.S. interests in Kosovo. This administration has given a dozen explanations for involvement.

I applaud its basic instinct to do something to prevent the

slaughter of civilians. As a European power, the United States could not and should not be indifferent to events in Kosovo. But this administration committed America to a bad peace plan at Rambouillet. The sooner the plan is adjusted the better.

The take-it-or-leave-it deal that the Serbs were offered calls for autonomy for the Kosovars Albanians for three years, protected by NATO forces, and then final status negotiations, between Serbs and Kosovo Albanians, on the ultimate fate of Kosovo. The Serbs rejected both the deal's NATO peacekeepers

and its implicit commitment to Kosovo independence.

The only reason the Kosovars accepted was because they viewed Rambouillet as independence on a three-year installment plan, protected by NATO and guaranteed by the United States with a wink.

The United States has neither a moral nor a strategic interest in the independence of Kosovo. The moral interest in Kosovo is to prevent the murder of innocent civilians, which can be done in the context of protected autonomy for Kosovo's majority Albanian population. And

the U.S. strategic interest is that Kosovo not be independent.

The United States does not want to be formally or implicitly obligated to Kosovo independence, because it would be an endless commitment, because it would send an unrealistic message to Basques, Kurds and other aggrieved ethnic groups that America will support their independence, and because Albania is already a failed state. It does not need a twin in Kosovo.

Secretary of State Madeleine Albright never should have supported a peace plan that committed America to anything other than protected autonomy for Kosovo — period, full stop, no further negotiations, unless the parties themselves agree on partition. And if the Kosovars would not have accepted such a plan, then they should have been told they were on their own.

So now what? The Clinton team is going to have to eat some crow — and eventually they will. They need to put the United States behind a new peace plan that is consistent with U.S. moral and strategic interests, and which a decent Serbian leader — and maybe even the war criminal Slobodan Milosevic — will be tempted to accept.

Such a plan would make clear that the only final status for Kosovo is autonomy. The actual autonomy framework should be based on the generous cultural and political autonomy accorded the Kosovars

in the 1974 Yugoslav constitution — not some foreign-imposed plan. But to guarantee that autonomy for Kosovars, the Serbs will have to permit the return of all the refugees, and the entry of a foreign observer force, plus peacekeepers.

If the Serbs will not accept NATO peacekeepers, NATO should think about using troops from the Partnership for Peace, a junior NATO made up of East European countries that aspire to be NATO members, as well as Russia. Having PFP forces on the ground, directed and supported by NATO, could protect the Kosovars, and having Russians among them could reassure the Serbs.

I am all for U.S. activism, but there are big, important places and there are small, less important ones. The trick is understanding the difference between the two and finding ways to advance America's moral and strategic interests on the small issues, such as Kosovo, without committing America in an all-consuming way as if it were a big issue.

I am glad that we are punishing the Serbs now for their ethnic cleansing, which is barbaric. But punishment is not a policy. Wars are fought for political ends. The Clintonites should rethink their objectives in Kosovo now, and put on the table a plan that is good for the average Kosovar, is acceptable for any decent Serb, and makes sense for America.

The New York Times

Stop the Bombing and Negotiate Peace

By Frederick Bonmart

BRUSSELS — NATO's declared purpose in Kosovo is to stop the humanitarian crisis from developing into a humanitarian catastrophe, and to prevent instability from spreading in Europe. Its action has had the opposite effect.

If bloodshed is to cease, civilized behavior is to be re-established and NATO to survive as a credible organization, it must break out of this chain of events. It has two choices: begin a total war against Serbia, or find a new political solution.

NATO leaders repeated time and again that all options were open. That was heard by the sides in conflict. It was believed by one and dismissed by the other, but both based their policies on it. Radical elements of the Kosovo Liberation Army stepped up their attacks so as to provoke the massive reactions that they believed would trigger a NATO intervention. Mr. Milosevic continued his action to isolate the Kosovars rebels, and hid his time. NATO then had to make good, and the bomb attacks followed.

Next, Mr. Milosevic sent his murder squads to decapitate the leadership and begin a mass ejection of ethnic Albanians from certain areas in the province. Refugees are pouring into neighboring countries, which are crying out for help. The humanitarian crisis is turning into a humanitarian catastrophe.

Security guarantees were given to neighboring countries, but parties inside them are taking sides for and against the NATO operation, and the smell of violence is in the air. The large ethnic Albanian elements in some of them are at risk and are radicalized. As the bombing continues, small protests could erupt into explosions, and governments might fall. The NATO

action has already increased instability in the region.

More telling is the break with Russia. The valuable NATO-Russian relationship built up with extreme care by both sides has collapsed.

NATO is now changing its tactics and starting attacks on field forces. Attacks from the air can disrupt and degrade these forces, but they cannot alone make good General Wesley Clark's promise to devastate and destroy them. To do so, land forces would be needed.

President Bill Clinton and NATO Secretary-General Javier Solana have so far excluded this possibility, with reason. Quite apart from the public resistance in allied countries, the required forces are not readily available. Of NATO's Europeans, only Britain, France, Turkey and possibly new member Poland would have significant numbers available and the will to use them. Of the remaining bigger member countries, only Germany and Italy could make important contributions, but their governments could not overcome political objections.

The Yugoslav army has some 90,000 men under arms, two-thirds of them professional soldiers; 400,000 reservists are liable for call-up. It has more than a thousand tanks and equivalent associated equipment. The air force has 238 combat aircraft and 52 armed helicopters. Personnel are well trained and highly motivated.

NATO would have to field a fighting force on the order of 200,000 personnel and corresponding equipment. Yugoslav air defenses may be degraded by the bombing, but the army would fight and casualties would be

heavy on both sides. In present circumstances, this solution is not a practical possibility.

NATO could use proxy ground forces by helping to arm, equip and train the KLA, and supporting it from the air. At present, the KLA consists of small groups of fighters variously armed and motivated who can lay ambushes, kidnap, murder, or throw bombs into crowded areas. With allied support the KLA could grow into a bigger force, drawing in enthusiastic volunteers from Albanian communities in neighboring countries. The result would be a Balkan war similar to those at the beginning of the century.

The original strategy was gradually to tighten the screw by increasing the pain of bombing attacks until Mr. Milosevic yielded and came to Rambouillet to sign a peace deal. But he has the army, the security services and most of the media firmly in hand. His government covers a spectrum of political parties. The population feels outraged at the demands and actions by the West in what it regards as a Serbian province in which it is facing a terrorist-led revolt.

It is clear that this strategy is a failure.

A new political solution must therefore be sought. One would be to divide Kosovo, giving the Albanian community an independent homeland in the south and leaving a northern slice inside Serbia. NATO could establish the relationship with Russia by involving its government in such negotiations.

Only by succeeding quickly in bringing peace to the area can NATO save its credibility.

The writer, a veteran commentator on NATO affairs, contributed this article to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Pushkin Show

PARIS — According to a statement in the "Novoye Vremya," the Emperor Nicholas II has ordered the Treasury to devote 1,000 rubles to the establishment of an exhibition at the Academy of Sciences containing mementoes of the poet Pushkin, his manuscripts, editions of his works, etc. Another 1,000 rubles is to be paid to Mr. A. K. Glazimoff, the composer, who has set to music a cantata in Pushkin's honor, and 1,000 rubles for the cost of publishing the same.

1924: First Berries

PARIS — The first strawberries have arrived in the Paris markets. The thrifty housewife, when she goes to market these days, can have her choice of succulent and perfumed Rosmays at from 14fr. to 25fr. for a plate of 8 to 15 berries. There was talk that the

Prefect of Police would send extra squads of policemen to keep back the tremendous crowds that are expected to storm the markets to get the berries at these attractive prices.

1949: German Crisis

BONN, Germany — One of West Germany's strongest political parties launched a last-minute drive to break the deadlock threatening the new West German constitution. The Christian Democratic Union appealed to the Social Democrats to compromise. Unless the Germans agree soon on a constitution acceptable to the Western Allied occupying powers, the planned creation of a West German state may founder. The American, British and French Military Governors rejected the constitution drafted by the German parliamentary council until it is changed to weaken the powers of the central government.

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OPINION/LETTERS

The Prospects for Recovery in Asia

By Francis Colaco, Dominique Dwor-Frécourt and Mary Hallward-Driemeier

BANGKOK — East Asian companies undergoing restructuring are best placed for an early recovery from the regional financial crisis, according to a new survey supported by the World Bank of 4,000 companies.

The survey also demonstrates that the pace of recovery varies strongly from country to country, and from sector to sector of each economy.

Little comprehensive information on the corporate sector was available before the crisis in what had been the world's fastest growing economies.

Without a good understanding of the real state of Asian companies, governments and markets were working on the assumption that high growth would continue indefinitely.

Yet the survey results show that many East Asian firms had falling profits and idle production lines even before the crisis started in Thailand in July 1997.

Anxious investors could only guess at the real extent of corporate problems as the contagion unfolded. A shift in market sentiment, rather than hard economic evidence, played a big role in a reversal of capital flows equivalent to 10 percent of the combined gross domestic product of Indonesia, South Korea, Malaysia, the Philippines and Thailand in 1997.

To cope with this reversal, governments had to undertake economic stabilization programs and corporate restructuring without a sound understanding of what was really happening to businesses.

To fill this information gap, the governments of Indonesia, South Korea, Malaysia, the Philippines, and Thailand, with advice and technical assistance from the World Bank, undertook surveys of about 4,000 firms in these countries in the most important sectors for production and exports, including textiles and garments, food processing, electronics, auto parts, chemicals and machinery.

The surveys provide information on the impact of the crisis, the efficacy of government programs and the prospects for corporate recovery as seen by companies, together with information on companies' balance sheets, corporate governance, research and development, training, and business environment.

The surveys were completed only recently and will be the subject of a roundtable regional consultation in Bangkok organized by the World Bank.

The results of the surveys indicate that countries and sectors have been affected by the crisis in sometimes sharply different ways. For example, a decline in the use of

existing factories was twice as severe in Indonesia as in the Philippines, and twice as high in the auto parts sector as in food processing.

Despite such variations, the data demonstrate that manufacturers in the five East Asian countries share one main concern: the collapse of domestic demand for their products.

This has obviously played a big role in the decline of companies oriented toward the domestic market. But it has also hit exporters, since about half of their products have been sold in regional markets.

Moreover, exporters report that, at the same time as their markets were shrinking, they were hit by a decline in the competitiveness of their products.

These results show that an expansion of demand may not be enough to revive the corporate sector, and that corporate restructuring to enhance competitiveness is also needed.

The survey provides direct evidence of the extent of credit constraints in the five countries.

Overall, companies are complaining more about the high cost of loans than about credit availability, even though interest rates have returned to pre-crisis levels.

While economic stabilization programs and the attempt by banks to maintain liquidity and capital adequacy ratios have reduced the credit available, the World Bank survey



suggests that the decline in demand for products has produced an even bigger decline in the demand for credit by companies.

The new data also indicate that layoffs have not been commensurate with the decline in output, and that this has helped reduce the social impact of the crisis.

Layoffs have generally affected younger workers. However, in some cases such as South Korea, older workers with more dependents, who are difficult to retrain and re-employ and hence likely to remain unemployed longer, have been retrenched.

The surveys show how social safety nets should be targeted.

What are the prospects for corporate recovery in 1999? A third of the surveyed companies expected that they would increase production

over the next six months, against 40 percent of companies that anticipated a further decline.

The survey shows that recovery is uneven among sectors and countries. South Korean and Malaysian companies were least pessimistic, while Philippine and Indonesian firms had more negative expectations. Exporters are more optimistic than non-exporters, with South Korean exporters the most bullish.

Mr. Colaco is president of Asia-Pacific Management Consultants. Ms. Dwor-Frécourt and Ms. Hallward-Driemeier are World Bank economists and the organizers of a conference on the survey's findings in Bangkok from March 31 to April 2. They contributed this comment to the International Herald Tribune.

In New York, Protests Driven by Conscience

By John Lewis

WASHINGTON — More than a thousand people have been arrested for protesting police brutality in the case of Amadou Diallo, the unarmed immigrant who was

MEANWHILE

killed outside his apartment in the Bronx a few weeks ago. Some critics, including Mayor Rudolph Giuliani, have ridiculed the demonstrations at New York's police headquarters as a publicity stunt.

Hearing this brings to mind the white politicians who stood in our way in the 1960s, when the civil rights movement used sit-ins, freedom rides, mass meetings and marches as a form of protest in the South. At the time our tactics were questioned, too. But we knew we had to dramatize our opposition to segregation — there was no other way to mobilize wide-scale support for our cause.

Back then, we knew the risks were great. On March 7, 1965, some of us tried to cross the Edmund Pettus Bridge in a march from Selma to Montgomery, Alabama. "Bloody Sunday," as it came to be called, moved President Lyndon Johnson to introduce the Voting Rights Act of 1965.

We have come a long way since then. The protesters in New York do not face bullwhips, bombs, tear gas, vicious attack dogs, fire hoses and mass arrests. But that does not lessen the importance of what they are doing. They are also standing up to injustice and saying, "No more." This dramatic demonstration of nonviolent action may mark the emergence of a broad new coalition of conscience.

Some critics have been focusing on the celebrities who have joined in, as if their presence diminished the demonstration. But we should not overlook the array of participants: religious leaders, union workers and political and labor leaders. All have been willing to break the law to prove a symbolic point.

The larger community is paying attention. And New York's leaders are finally tak-

ing constructive action. This past weekend, Police Commissioner Howard Safir said there would be an overhaul of the Street Crimes Unit. Mr. Giuliani has met with black leaders and admits he should have done so earlier.

There is no reason to think that these changes would have happened without the protests. The history of civil rights has always had much to do with timing and, especially, symbolism. When it comes to effecting social change, one could say that substance follows symbolic action.

In 1993, when Governor Zell Miller of Georgia and others proposed changing the state flag because it bore the bars of the old Confederacy, he drew on the power of symbolism to make a point about how far the South had come since the days of slavery and Jim Crow. Changing the flag was not going to feed the hungry or improve the state's schools, but the importance of the symbol was not lost on Georgia's blacks.

Likewise, when John Kennedy ran for president in 1960, he earned credibility on civil rights issues when he called Martin Luther King Jr.'s wife, Coretta, to voice concern about the well-being of Mr. King, who was sitting in an Atlanta jail. Because of moments like these we cannot underestimate the role symbolism plays in politics, especially when the public needs a sign from its leaders that its concerns are being heard. These are lessons that Mr. Giuliani would do well to learn.

True peace is not merely the absence of tension and conflict; it is the presence of justice." Mr. King wrote as he sat in a Birmingham jail cell. The recent demonstrations have reminded us of the truth of those words. It is the protesters' conscience, not the desire for publicity, that called them to act.

The writer, a Democratic representative from Georgia, was a leader in the American civil-rights movement. He contributed this comment to The New York Times.

A Palestinian State Is the Only Way Forward for Peace in the Middle East

By David Kimche

TEL AVIV — In the 1970s, when I was a senior operative in the Mossad, Israel's foreign intelligence service, Yasser Arafat was my blood enemy.

My colleagues and I hunted him and his terrorist Palestine Liberation Organization henchmen, trying to stop them from murdering innocent Jews and certain that his demise would be a great victory for Israel.

Now, in the wake of last week's meeting between Mr. Arafat and President Bill Clinton in Washington, I find myself hoping that the United States will help my former foe, protecting Israel's security by assisting him in achieving Palestinian self-determination, as long as he does so peacefully and within the framework of negotiations with Israel.

Mr. Arafat is still hardly my idea of a perfect neighbor. But he is the only Palestinian leader capable of making concessions to Israel while retaining power and domestic support.

Unless Israel and the United States ensure that he remains strong enough to lead his people to a negotiated peace, he is likely to be seriously undermined by Islamic fundamentalists who favor armed struggle over negotiations, and whose methods of mass terror are far more horrifying than anything I confronted 25 years ago.

Mr. Clinton was right to warn Mr. Arafat, as he reportedly did last week, about the dangers of making good on his threat to declare a Palestinian state unilaterally.

However, if Mr. Arafat continues to put statehood on hold, he will be viewed by his people as buckling under pressure and abandoning his stated goal. He needs to reassure the Palestinians that they are still progressing toward some form of independence, and Israeli and American leaders need to help him to do this.

Nearly everyone seems to know that a Palestinian state of some sort is now inevitable, except for the Palestinians themselves.

The Israeli newspaper Maariv reported this month that Prime Minister Benjamin Netanyahu of Israel and his aides now privately confirm "that there is no way of averting the establishment of a Palestinian state," but believe

that Israel's consent to such a state "ought to be used as a bargaining chip."

Even Ariel Sharon, Mr. Netanyahu's hard-line foreign minister, has publicly admitted that Palestinian independence is a foregone conclusion, and polls show that most Israelis understand this.

The United States must remain an evenhanded mediator or trusted by both sides, and cannot tilt toward the Palestinian position on statehood — as the European Union did last week when it passed a resolution recognizing Palestinians' "unqualified right" to their own state.

However, I hope Mr. Clinton will assure the Palestinians that if — and only if — both parties agree in the course of negotiations to establish a Palestinian state, the United

States will fully back this solution. That statement would dramatically bolster the forces of moderation and compromise among Arabs in the West Bank and Gaza Strip.

The United States should also allay Palestinian fears that final-status talks will be allowed to drag on endlessly. One of Mr. Arafat's worst nightmares is that inconclusive negotiations will stretch out for years while Israel expands settlements on the West Bank.

Finally, it is vital that Mr. Arafat be able to show his Palestinian constituency that the United States does not single out the Palestinian Authority for criticism.

The Clinton administration should keep speaking out publicly against needless provocations by either side —

whether Israeli expansion of Jewish settlements on the West Bank or Palestinian officials' use of inflammatory rhetoric against Israel.

American mediation will fail unless the demands that the United States makes of Mr. Arafat are leavened with some diplomatic rewards.

I cannot forgive my old enemy for endorsing the murder of my countrymen decades ago, but it would also be unforgivable to deny him, and the Israelis, the chance to end the bloodshed.

The writer, a Tel Aviv-based member of the advisory council of the Israeli Policy Forum, was director general of the Israeli Foreign Ministry from 1980 to 1987. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

No Celebrations

Regarding "Despite Chalmers, NATO Unity Endures" (March 29):

The writer, William Drozdzak, describes the sentiment in the Netherlands following the shooting down of a Yugoslav MiG-29 jet fighter by a Royal Netherlands Air Force F-16.

As chief of public information for the Royal Netherlands Air Force, I disagree with Mr. Drozdzak when he concludes that the pilot was treated more like a pariah than a national hero.

Celebrating an aerial victory is not inappropriate, especially when we consider the situation of the people of Kosovo. The Royal Netherlands Air Force is a highly professional organization and any feelings of joy over the shooting down of the Serbian plane are limited to satisfaction that the quality of training and equipment and the professional approach of all personnel involved paid off.

A. R. FOKKEMA, The Hague.

U.S. Dues to the UN

Recent news reports suggest that the United States risks losing its UN General Assembly vote because of a failure to pay UN arrears.

Potentially losing the right to vote in the General Assembly is a serious matter, but the United States is already paying a heavy price in terms of prestige and political clout in the world body because of its shameful debtor status.

This situation was glaringly evident during a recent visit to the UN complex in Geneva, the center of a broad range of international agencies involved in economic, social and humanitarian work. Clearly there, as in New York, the U.S. capacity to influence other member states, even some of America's closest European allies, is diminishing as a direct result of the failure to pay UN dues.

As an organization whose founders were deeply involved in the UN's creation, we are concerned about the current state of affairs. Whatever one may think about the UN — and there is plenty of room for criticism — it remains an indispensable body for fostering global

cooperation, advancing conflict resolution and peacekeeping, and addressing the needs of the world's least developed nations.

American engagement with the United Nations promotes the national interest. We should pay our full debt now.

DAVID A. HARRIS, New York.

The Pinochet Ruling

Two elements are missing in the ruling handed down by the seven Law Lords in London. First, Augusto Pinochet was president of the junta, hence head of state, before the

end of 1973, but he was no such thing in the opening weeks of the coup, when many of the worst atrocities were committed. Second, the principle that a head of state does not enjoy immunity from arrest and judgment was established at Nuremberg: Admiral Karl Doenitz was head of state of Nazi Germany beginning May 1, 1945, but that did not save him from appearing before the tribunal.

DAVID WINGEATE PIKE, Paris.

On the War in Kosovo

There seem to be doubts in some international circles about the legality of NATO intervention in the internal af-

fairs of an independent country (Yugoslavia).

Regarding this matter, there was a successful precedent 102 years ago.

In 1897, the great powers — Britain, France, Russia, Germany and Austria — were able to prevail upon the Ottoman Empire, without the use of force, to completely evacuate the island of Crete, which was then a Turkish province. The reason for the demand was the mistreatment of the local population, which was 75 percent Greek and 25 percent Turk.

The great powers set up a locally elected government with Prince George of Greece as high commissioner.

T. L. CHRYSANTHOPOULOS, Aeghion, Greece.



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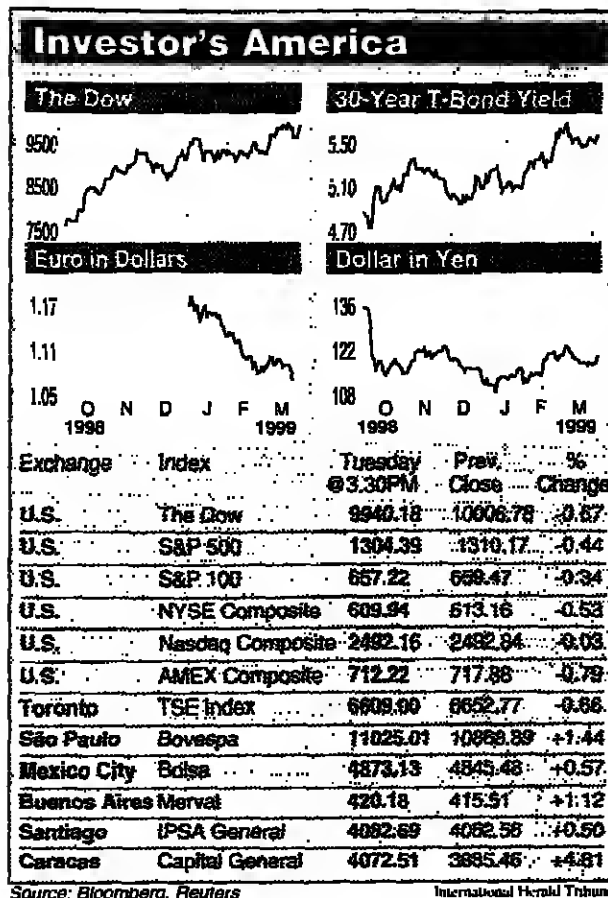
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Herald Tribune
The World's Daily News-Paper

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THE AMERICAS



Very briefly:

- NASD Regulation, the self-policing arm of the National Association of Securities Dealers, has fined 10 former brokers at Sterling Foster & Co. a total of \$837,500 and ordered them to repay investors \$1.1 million for alleged fraudulent sales practices.
- Goldman Sachs Group, the investment partnership that is planning an initial public offering, will buy 22 percent of Wit Capital Group Inc., a pioneer in using the Internet to sell stocks to individual investors.
- MCI WorldCom Inc., seeking advanced wireless Internet links, is reportedly investing about \$200 million in the wireless cable business.
- Bank One Corp. plans to eliminate as many as 4,500 jobs as a result of the merger last year with First Chicago NBD Corp. The \$19 billion merger was completed in October.
- Toys "R" Us Inc.'s reign as the biggest U.S. toy retailer ended in 1998, with Wal-Mart Stores Inc. pulling in more sales. Analysts said it was the first time in more than a decade that Toys "R" Us was dethroned.
- Renault SA will build Renault-badged cars at the underused factory of its new partner Nissan Motor Co. in Aguascalientes, Mexico.
- Varig Brazilian Airlines will ground 10 aircraft and suspend lower-yielding routes as a cost-cutting measure in the face of economic difficulties.

To Our Readers

Because of the seven-hour time difference between New York and Paris this week, the U.S. stock tables, the U.S. futures and some other financial data in this edition reflect early or previous day's prices, as noted. This change is necessary to meet distribution requirements.

We will revert to our usual coverage next week, when daylight saving time begins in North America.

U. S. STOCK MARKET DIARY

Tuesday, March 30									
Indexes		Most Active							
NYSE									
Dow Jones	High	Low	Open	Close	Change	Volume	High	Low	Open
Indust	10064.18	10064.18	10064.18	10064.18	-6.60	10006.78	1304.39	1304.39	1304.39
Trans	20216.32	20216.32	20216.32	20216.32	-5.78	1310.17	657.22	657.22	657.22
US	360.31	360.31	360.31	360.31	-5.78	1310.17	657.22	657.22	657.22
Comp	30048.4	30048.4	30048.4	30048.4	-5.78	1310.17	657.22	657.22	657.22
NASDAQ									
Symbol	High	Low	Open	Close	Change	Volume	High	Low	Open
Advanced Micro	122.77	122.77	122.77	122.77	+0.12	122.77	122.77	122.77	122.77
Intel	35.12	35.12	35.12	35.12	+0.12	35.12	35.12	35.12	35.12
Microsoft	34.12	34.12	34.12	34.12	+0.12	34.12	34.12	34.12	34.12
Oracle	21.12	21.12	21.12	21.12	+0.12	21.12	21.12	21.12	21.12
Yahoo	16.12	16.12	16.12	16.12	+0.12	16.12	16.12	16.12	16.12
Amazon	15.12	15.12	15.12	15.12	+0.12	15.12	15.12	15.12	15.12
Netflix	14.12	14.12	14.12	14.12	+0.12	14.12	14.12	14.12	14.12
Home Depot	52.12	52.12	52.12	52.12	+0.12	52.12	52.12	52.12	52.12
Walmart	48.12	48.12	48.12	48.12	+0.12	48.12	48.12	48.12	48.12
Target	45.12	45.12	45.12	45.12	+0.12	45.12	45.12	45.12	45.12
Kroger	42.12	42.12	42.12	42.12	+0.12	42.12	42.12	42.12	42.12
Costco	39.12	39.12	39.12	39.12	+0.12	39.12	39.12	39.12	39.12
Walgreens	36.12	36.12	36.12	36.12	+0.12	36.12	36.12	36.12	36.12
CVS	33.12	33.12	33.12	33.12	+0.12	33.12	33.12	33.12	33.12
Wal-Mart	30.12	30.12	30.12	30.12	+0.12	30.12	30.12	30.12	30.12
Home Depot	27.12	27.12	27.12	27.12	+0.12	27.12	27.12	27.12	27.12
Walmart	24.12	24.12	24.12	24.12	+0.12	24.12	24.12	24.12	24.12
Target	21.12	21.12	21.12	21.12	+0.12	21.12	21.12	21.12	21.12
Kroger	18.12	18.12	18.12	18.12	+0.12	18.12	18.12	18.12	18.12
Costco	15.12	15.12	15.12	15.12	+0.12	15.12	15.12	15.12	15.12
Walgreens	12.12	12.12	12.12	12.12	+0.12	12.12	12.12	12.12	12.12
CVS	9.12	9.12	9.12	9.12	+0.12	9.12	9.12	9.12	9.12
Wal-Mart	6.12	6.12	6.12	6.12	+0.12	6.12	6.12	6.12	6.12
Home Depot	3.12	3.12	3.12	3.12	+0.12	3.12	3.12	3.12	3.12
Walmart	0.12	0.12	0.12	0.12	+0.12	0.12	0.12	0.12	0.12

Trading Activity									
NYSE									
Symbol	High	Low	Open	Close	Change	Volume	High	Low	Open
Advanced Micro	122.77	122.77	122.77	122.77	+0.12	122.77	122.77	122.77	122.77
Intel	35.12	35.12	35.12	35.12	+0.12	35.12	35.12	35.12	35.12
Microsoft	34.12	34.12	34.12	34.12	+0.12	34.12	34.12	34.12	34.12
Oracle	21.12	21.12	21.12	21.12	+0.12	21.12	21.12	21.12	21.12
Yahoo	16.12	16.12	16.12	16.12	+0.12	16.12	16.12	16.12	16.12
Amazon	15.12	15.12	15.12	15.12	+0.12	15.12	15.12	15.12	15.12
Netflix	14.12	14.12	14.12	14.12	+0.12	14.12	14.12	14.12	14.12
Home Depot	52.12	52.12	52.12	52.12	+0.12	52.12	52.12	52.12	52.12
Walmart	48.12	48.12	48.12	48.12	+0.12	48.12	48.12	48.12	48.12
Target	45.12	45.12	45.12	45.12	+0.12	45.12	45.12	45.12	45.12
Kroger	42.12	42.12	42.12	42.12	+0.12	42.12	42.12	42.12	42.12
Costco	39.12	39.12	39.12	39.12	+0.12	39.12	39.12	39.12	39.12
Walgreens	36.12	36.12	36.12	36.12	+0.12	36.12	36.12	36.12	36.12
CVS	33.12	33.12	33.12	33.12	+0.12	33.12	33.12	33.12	33.12
Wal-Mart	30.12	30.12	30.12	30.12	+0.12	30.12	30.12	30.12	30.12
Home Depot	27.12	27.12	27.12	27.12	+0.12	27.12	27.12	27.12	27.12
Walmart	24.12	24.12	24.12	24.12	+0.12	24.12	24.12	24.12	24.12
Target	21.12	21.12	21.12	21.12	+0.12	21.12	21.12	21.12	21.12
Kroger	18.12	18.12	18.12	18.12	+0.12	18.12	18.12	18.12	18.12
Costco	15.12	15.12	15.12	15.12	+0.12	15.12	15.12	15.12	15.12
Walgreens	12.12	12.12	12.12	12.12	+0.12	12.12	12.12	12.12	12.12
CVS	9.12	9.12	9.12	9.12	+0.12	9.12	9.12	9.12	9.12
Wal-Mart	6.12	6.12	6.12	6.12	+0.12	6.12	6.12	6.12	6.12
Home Depot	3.12	3.12	3.12	3.12	+0.12	3.12	3.12	3.12	3.12
Walmart	0.12	0.12	0.12	0.12	+0.12	0.12	0.12	0.12	0.12

Market Sales									
NYSE									
Symbol	High	Low	Open	Close	Change	Volume	High	Low	Open
Advanced Micro	122.77	122.77	122.77	122.77	+0.12	122.77	122.77	122.77	122.77
Intel	35.12	35.12	35.12	35.12	+0.12	35.12	35.12	35.12	35.12
Microsoft	34.12	34.12	34.12	34.12	+0.12	34.12	34.12	34.12	34.12
Oracle	21.12	21.12	21.12	21.12	+0.12	21.12	21.12	21.12	21.12
Yahoo	16.12	16.12	16.12	16.12	+0.12	16.12	16.12	16.12	16.12
Amazon	15.12	15.12	15.12	15.12	+0.12	15.12	15.12	15.12	15.12
Netflix	14.12	14.12	14.12	14.12	+0.12	14.12	14.12	14.12	14.12
Home Depot	52.12	52.12	52.12	52.12	+0.12	52.12	52.12	52.12	52.12
Walmart	48.12	48.12	48.12	48.12	+0.12	48.12	48.12	48.12	48.12
Target	45.12	45.12	45.12	45.12	+0.12	45.12	45.12	45.12	45.12
Kroger	42.12	42.12	42.12	42.12	+0.12	42.12	42.12	42.12	42.12
Costco	39.12	39.12	39.12	39.12	+0.12	39.12	39.12	39.12	39.12
Walgreens	36.12	36.12	36.12	36.12	+0.12	36.12	36.12	36.12	36.12
CVS	33.12	33.12	33.12	33.12	+0.12	33.12	33.12	33.12	33.12
Wal-Mart	30.12	30.12	30.12	30.12	+0.12	30.12	30.12	30.12	30.12
Home Depot	27.12	27.12	27.12	27.12	+0.12	27.12	27.12	27.12	27.12
Walmart	24.12	24.12	24.12	24.12	+0.12	24.12	24.12	24.12	24.12
Target	21.12	21.12	21.12	21.12	+0.12	21.12	21.12	21.12	21.12
Kroger	18.12	18.12	18.12	18.12	+0.12	18.12	18.12	18.12	18.12
Costco	15.12	15.12	15.12	15.12	+0.12	15.12	15.12	15.12	15.12
Walgreens	12.12	12.12	12.12	12.12	+0.12	12.12	12.12	12.12	12.12
CVS	9.12	9.12	9.12	9.12	+0.12	9.12	9.12	9.12	9.12
Wal-Mart	6.12	6.12	6.12	6.12	+0.12	6.12	6.12	6.12	6.12
Home Depot	3.12	3.12	3.12	3.12	+0.12	3.12	3.12	3.12	3.12
Walmart	0.12	0.12	0.12	0.12	+0.12	0.12	0.12	0.12	0.12

STOCK SPLIT									
AboveNet Comm 2 for 1 split									
Value of Cdn \$ for 1 split									

and I will - \$3

Tuesday's 3 P.M.
The 2,300 most traded stocks of the day

The Associated Press

13 Month High Low Stock Div Yld PE Stb 1005 High Low Latest Chgs

Line	Altitude	Time	Temperature	Wind	Direction	Speed	Remarks
1	1000	1000	1000	1000	1000	1000	1000
2	1000	1000	1000	1000	1000	1000	1000
3	1000	1000	1000	1000	1000	1000	1000
4	1000	1000	1000	1000	1000	1000	1000
5	1000	1000	1000	1000	1000	1000	1000
6	1000	1000	1000	1000	1000	1000	1000
7	1000	1000	1000	1000	1000	1000	1000
8	1000	1000	1000	1000	1000	1000	1000
9	1000	1000	1000	1000	1000	1000	1000
10	1000	1000	1000	1000	1000	1000	1000
11	1000	1000	1000	1000	1000	1000	1000
12	1000	1000	1000	1000	1000	1000	1000
13	1000	1000	1000	1000	1000	1000	1000
14	1000	1000	1000	1000	1000	1000	1000
15	1000	1000	1000	1000	1000	1000	1000
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18	1000	1000	1000	1000	1000	1000	1000
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20	1000	1000	1000	1000	1000	1000	1000
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25	1000	1000	1000	1000	1000	1000	1000
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28	1000	1000	1000	1000	1000	1000	1000
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33	1000	1000	1000	1000	1000	1000	1000
34	1000	1000	1000	1000	1000	1000	1000
35	1000	1000	1000	1000	1000	1000	1000
36	1000	1000	1000	1000	1000	1000	1000
37	1000	1000	1000	1000	1000	1000	1000
38	1000	1000	1000	1000	1000	1000	1000
39	1000	1000	1000	1000	1000	1000	1000
40	1000	1000	1000	1000	1000	1000	1000
41	1000	1000	1000	1000	1000	1000	1000
42	1000	1000	1000	1000	1000	1000	1000
43	1000	1000	1000	1000	1000	1000	1000
44	1000	1000	1000	1000	1000	1000	1000
45	1000	1000	1000	1000	1000	1000	1000
46	1000	1000	1000	1000	1000	1000	1000
47	1000	1000	1000	1000	1000	1000	1000
48	1000	1000	1000	1000	1000	1000	1000
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54	1000	1000	1000	1000	1000	1000	1000
55	1000	1000	1000	1000	1000	1000	1000
56	1000	1000	1000	1000	1000	1000	1000
57	1000	1000	1000	1000	1000	1000	1000
58	1000	1000	1000	1000	1000	1000	1000
59	1000	1000	1000	1000	1000	1000	1000
60	1000	1000	1000	1000	1000	1000	1000
61	1000	1000	1000	1000	1000	1000	1000
62	1000	1000	1000	1000	1000	1000	1000
63	1000	1000	1000	1000	1000	1000	1000
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65	1000	1000	1000	1000	1000	1000	1000
66	1000	1000	1000	1000	1000	1000	1000
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68	1000	1000	1000	1000	1000	1000	1000
69	1000	1000	1000	1000	1000	1000	1000
70	1000	1000	1000	1000	1000	1000	1000
71	1000	1000	1000	1000	1000	1000	1000
72	1000	1000	1000	1000	1000	1000	1000
73	1000	1000	1000	1000	1000	1000	1000
74	1000	1000	1000	1000	1000	1000	1000
75	1000	1000	1000	1000	1000	1000	1000
76	1000	1000	1000	1000	1000	1000	1000
77	1000	1000	1000	1000	1000	1000	1000
78	1000	1000	1000	1000	1000	1000	1000
79	1000	1000	1000	1000	1000	1000	1000
80	1000	1000	1000	1000	1000	1000	1000
81	1000	1000	1000	1000	1000	1000	1000
82	1000	1000	1000	1000	1000	1000	1000
83	1000	1000	1000	1000	1000	1000	1000
84	1000	1000	1000	1000	1000	1000	1000
85	1000	1000	1000	1000	1000	1000	1000
86	1000	1000	1000	1000	1000	1000	1000
87	1000	1000	1000	1000	1000	1000	1000
88	1000	1000	1000	1000	1000	1000	1000
89	1000	1000	1000	1000	1000	1000	1000
90	1000	1000	1000	1000	1000	1000	1000
91	1000	1000	1000	1000	1000	1000	1000
92	1000	1000	1000	1000	1000	1000	1000
93	1000	1000	1000	1000	1000	1000	1000
94	1000	1000	1000	1000	1000	1000	1000
95	1000	1000	1000	1000	1000	1000	1000
96	1000	1000	1000	1000	1000	1000	1000
97	1000	1000	1000	1000	1000	1000	1000
98	1000	1000	1000	1000	1000	1000	1000
99	1000	1000	1000	1000	1000	1000	1000
100	1000	1000	1000	1000	1000	1000	1000

Continued on Page 10



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ASIA/PACIFIC

Thailand Unveils \$3.5 Billion Stimulus Package Trade Gap Widens in Australia

By Thomas Crampton
International Herald Tribune

BANGKOK — The government on Tuesday unveiled a multibillion-dollar economic stimulus package intended to lift the country from recession by increasing consumer spending.

The wide-ranging package — worth about \$3.5 billion — includes tax cuts, new government spending and a reduction of electricity and energy prices.

The cuts are projected to reduce state revenue by between \$3 billion baht and 78 billion baht (\$1.41 billion and \$2.07 billion), or about 9 percent of this year's budget.

But analysts said that more than a Japanese-style stimulus would be required to restore the moribund economy to growth.

"This package will help stop the spreading rot, but it won't cure the economy any time soon," said Peter Redhead, head of research at ING Barings in Bangkok. "The priorities for recovery remain the sorting out of bad corporate debt and the recapitalization of the banks."

Arporn Chewakrengkrai, economic advisor to Thailand's prime minister, said the package, financed with loans from Japan and the World Bank, is intended to encourage domestic demand, reduce unemployment and increase confidence in corporate Thailand.

"Now, many banks are frightened to lend money to businesses that need the support to survive," Ms. Arporn said. "If this package can get everything moving again, we could see the economy grow by one percent this year."

Many private economists predict that Thailand's gross domestic product, which contracted 8 percent in 1998, will not grow this year.

On Tuesday, Thailand's central bank released statistics showing an increase of imports and manufacturing output, a sign that the economy may be bottoming, analysts said.

"I would not start jumping up and



Mr. Nimmanahaeminda, left, and Industry Minister Suwat Liptapallop at a press conference.

down yet," Mr. Redhead said. "But these numbers show the direction is at least positive."

As the economic difficulties persist, the government of Prime Minister Chuan Leekpai will face growing political pressure, despite praise for its reform agenda, said Sriyan Pietersz, chief strategist at SocGen Crosby Securities.

While the government recently pushed a set of economic reforms through Parliament, the slow pace of recovery has increased tensions among the eight members of the ruling coalition as middle-class confidence erodes and economic pain hits the country's rural hinterland.

Buoyed last year by record agricultural exports, Thailand's farmers, a constituency that accounts for the majority of the country's workforce and voters, now face sharply

falling commodity prices.

IMF Loosens Requirements

The tax rollbacks represent a 180-degree turn from Thailand's policy in late 1997, when the International Monetary Fund arranged a \$17.2 billion emergency credit package, Bloomberg News reported from Bangkok.

At the time, Thailand — with prodding from the IMF — raised taxes and interest rates to discourage consumer purchases. That included an increase in the value-added tax to 10 percent from 7 percent.

Another original term of the debt-aid program required that the government have a budget surplus in 1999. The new policies allow Thailand to post a budget deficit of 6 percent of GDP this year.

The 1997 measures helped trigger

Thailand's worst recession in a generation, and with every quarterly review of the IMF program since, the strings on spending have been loosened. The IMF predicts the economy will rebound to a 1 percent gain in 1999.

"The measures will not be the government's last move to fix the ailing economy," said Finance Minister Tarrin Nimmanahaeminda. "There remain other urgent problems that need to be fixed, such as the recapitalization of banks."

The tax cuts "are one piece of a broader package needed to have a major impact on the economy," said Ron Frizzell, president of General Motors Thailand Ltd. "It's a good step, but will be more beneficial to selling soap or toothpaste" than big-ticket items such as cars or televisions, he said.

Trade Gap Widens in Australia

Compiled by Our Staff From Dispatches

SYDNEY — The trade deficit unexpectedly widened to a record in February, the government announced Tuesday, as Australia continued to spend on imports.

The trade balance on goods and services grew to 1.5 billion Australian dollars (\$952.5 million), an increase of 166 million dollars from January, the statistics bureau said.

Exports rose 1 percent, to 9.1 billion dollars, mainly because of overseas sales of Australian services, while imports grew 2 percent, to 10.6 billion dollars, because of a rise in purchases of goods such as food, beverages, household appliances, clothing, shoes, toys and books.

The result was much worse than many had expected. Economists had predicted that firmer exports combined with weaker imports would improve the trade balance.

But the government said the current-account deficit was in line with its forecasts. Treasurer Peter Costello said, "This is the kind of result you would expect if export prices are at 20-year lows."

Analysts said the numbers would fuel concerns that the current account deficit would swell and that interest rates would remain at present levels.

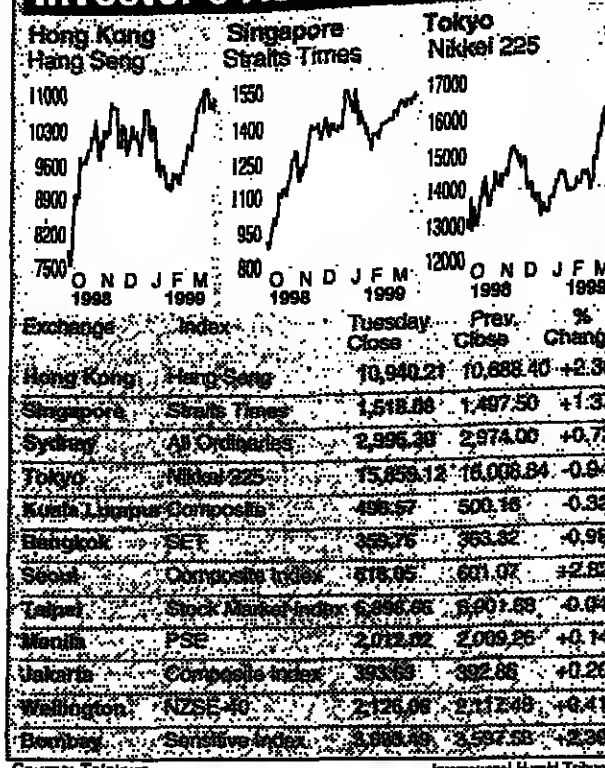
Annette Beacher, a senior economist at Citibank Ltd., said: "This guarantees that the current-account deficit will top 6 percent of GDP, a figure that's been haunting us since Asia's impact took hold," adding that it would also "be taken as a sign that interest rates are on hold."

The current-account deficit widened to 5 percent of gross domestic product in the fourth quarter of 1998.

The run of deficits mirrors the recession in many East Asian countries, which has deprived Australian exporters of some of their biggest markets. Exports to the top 10 Asian destinations slid 8 percent in the eight months through February from a year earlier. South Korea, the No. 3 export market, suffered its worst recession ever last year, and Japan, Australia's biggest market, is bogged in its worst recession in 50 years.

At the same time, commodity prices have fallen to their lowest since the early 1970s. Commodities comprise about 60 percent of Australian exports, about the same percentage that headed to East Asia before the financial crisis erupted in 1997.

Investor's Asia



Very briefly:

- Hyundai and Daewoo groups plan to cut debt without revaluing assets, bowing to government demands that they forsake paper gains or face a loss of fresh credit.
- Nippon Telegraph & Telephone Corp. offered to beat Cable & Wireless PLC's bid of 100,000 yen (\$831) a share for International Digital Communications Inc. The new offering price was not disclosed.
- Matsushita Electric Industrial Co. will stop producing dynamic random-access memory chips for personal computers.
- Long-Term Credit Bank of Japan Ltd. had 2.65 trillion yen (\$22.05 billion) more in liabilities than assets when it was seized by the government last October, more than eight times the amount that regulators estimated last year.
- Bad loans for the Philippines' 52 commercial banks rose to about 12.1 percent of the industry total at the end of January, compared with 10.4 percent in December.
- Hutchison Whampoa Ltd. will pay \$243 million for a 51 percent stake in a joint venture to operate Jakarta's two main container ports for the next 20 years.

Bloomberg, AFP

Seoul Account Surplus Widens

Compiled by Our Staff From Dispatches

SEOUL — South Korea's current-account surplus widened 23 percent in February from January, with companies importing less raw material and equipment as the economy bounced out of the Bank of Korea reported Tuesday.

The current account, the broadest measure of the flow of goods, services and money, posted a \$2.34 billion surplus in the month on an international payment balance basis, up from a \$1.91 billion surplus in January, the central bank said. It was the 16th surplus in a row.

The Commerce, Industry and Energy Ministry expects the current-account surplus to fall to \$20 billion this year from \$40 billion last year. It is expected to shrink more as imports rebound.

Bloomberg, AFP

ANA Says Its Loss for Year Will Be Twice the Forecast

Compiled by Our Staff From Dispatches

TOKYO — All Nippon Airways Co. will report a loss for the year ending Wednesday that is double what the airline had forecast, an ANA spokesman said Tuesday.

The airline will post an operating loss, the first in 17 years, of about 11 billion yen (\$91.5 million), more than double the 5 billion yen loss

that was forecast, said the spokesman, who declined to be identified. Sales are estimated at 900 billion yen, down 1 percent from last year and 2 percent below forecast.

Japan's three major airlines — ANA, the largest domestic carrier; Japan Air Lines Co., the largest, and Japan Air System Co. — have all been losing money, in part because

they have cut fares to fend off competition from domestic discount carriers and foreign airlines with lower costs.

The nation's worst postwar recession has also sapped demand for leisure and business trips, reducing demand.

ANA said it had lost passengers on its most lucrative routes — be-

tween Tokyo and Fukuoka in southern Japan and Tokyo and Sapporo in northern Japan — since new discount airlines began flying the same routes.

For the year starting in April, the airline is forecasting a small increase in pretax profit and flat sales. ANA shares closed Tuesday at 396 yen, up 6.

(Bloomberg, AFP)

CHINA: Difficult Issues Remain in WTO Talks, U.S. Officials Say

Continued from Page 1

American farm goods; the ability of banks, insurance companies and telecommunications companies to operate inside China, and access for industrial products.

The main negotiator on Ms. Barshefsky's staff, Robert Cassidy, will stay on for "a couple of days," the official said, and then talks are expected to continue later in Washington.

Commerce Secretary William Daley, who is in China on a trade mission, said Tuesday that while "very serious problems" remained in the negotiations, he was confident that agreement could still be reached by this fall. If China has not entered the WTO by then — when the organization will start a new round of global negotiations to redefine its rules — China's accession may be delayed for years, experts say.

The Chinese want the status that membership in the trade body would bring them, and they want the protections for their own exports that membership would also bring. But with rising unemployment and social unrest at home, and inefficient domestic industries already reeling, they have been reluctant to slash tariffs and other protective measures as quickly as Western countries demand.

The Clinton administration, under pressure from industry and a Congress increasingly suspicious of China, says it can only agree in "commercially viable" terms of entry.

While China's accession to the trade organization requires the consent of many countries, satisfying the United States is the most crucial step. The United States is concerned about a growing trade deficit with China, estimated at \$57 billion last year, and officials believe that lower tariffs in China would bolster American exports. At the same time, many American companies have also been frustrated by rules that severely limit their ability to invest or operate.

U.S. negotiators are also aware that, perhaps to an unusual degree, the success of an agreement depends on the



Trade Representative Charlene Barshefsky meeting with Prime Minister Zhu Rongji in Beijing on Tuesday to discuss WTO membership.

strong support of American business.

As anti-China sentiment rises in Congress, officials privately admit, no agreement can survive without enthusiastic corporate support and lobbying. Congress does not formally need to approve an agreement with China. But it would be required to rescind the law requiring annual renewal of China's "most-favored nation" status.

Specific details of negotiations were not released Tuesday, but some of the major American goals and areas of dispute have been described by American and Chinese officials and affected industries.

Some of the toughest issues involve agricultural products. In addition to high tariffs, China has kept out wheat because of fears of plant disease that the United States says are unwarranted, and citrus

because of fears of a med-fly invasion. American officials say a lack of major progress on farm products will be a deal-breaker. But for several reasons, Chinese experts say — including concerns about food self-sufficiency and especially about the welfare of the country's restive farmers, who could lose out to cheap grain imports — major concessions will be difficult.

Mr. Daley said Tuesday that some of the biggest problems in the talks involved financial services such as insurance and banking.

The insurance industry sees a vast potential in China for managing pensions as well as offering life, casualty, property, medical and other forms of insurance. Some 20 American companies already maintain offices in Beijing, awaiting a broad opening that has never come.

JAPAN: Grim New Economic Data Raise Doubt About Recovery

Continued from Page 1

2,000 by the end of January 2004.

Mr. Miyazawa, the finance minister, conceded, "We know for sure that corporate earnings remain weak and that labor market conditions remain poor. These are problematic."

Mr. Sakaiya, the economic planning chief, warned that the economy could "deteriorate near-term" once again. But he said that the data released Tuesday also reflected technical factors such as fewer working days in the month.

Amid the worsening jobs situation, the Labor Ministry reported separately that spending by Japanese wage earners households fell 4.1 percent in real terms in February from a year earlier, to an average of 303,264 yen (\$2,524).

Consumers spent just 67.8 percent of their disposable income, down from 70.9 percent in January and marking the lowest "propensity to consume" ratio since the government began releasing the data on a seasonally adjusted basis in 1970, the ministry said.

Mr. Miyazawa acknowledged that unemployment was likely to worsen because it is a "lagging" indicator of the economy. Some analysts said they were not surprised by the new data.

"It's certainly consistent with the weakness we're seeing in the Japanese economy, particularly in private demand," said Cameron Umetsu, senior strategist at Warburg Dillon Read Japan Ltd. "It promises to get even worse as underlying conditions deteriorate."

To fight the recession, the govern-

ment has earmarked \$682.5 billion in the 1999-2000 budget for public works spending, tax cuts and other stimulus measures.

Officials are also spending \$62.5 billion to bail out the country's troubled banks, which are saddled with loads of bad debt from the collapse of a speculative bubble in the early 1990s.

Despite the disheartening numbers, many in Japan still believe the economy has hit bottom and should be on the mend over the next couple of years.

The daily Nihon Keizai Shimbun published a survey of 112 company presidents on Tuesday, showing that nearly 90 percent believe a turnaround should come before the end of 1999. The newspaper gave no margin of error.

(AFP, AP, Bloomberg, Reuters)

[illegible][illegible][illegible]

12 Month	High	Low	Stock	Div	Y6 PE	52 High	Low	Latest	Change
196	100	80	Atlantic	05	9	52 1/2	48	50	50
197	100	80	Atlantic	05	9	52 1/2	48	50	50
198	100	80	Atlantic	05	9	52 1/2	48	50	50
199	100	80	Atlantic	05	9	52 1/2	48	50	50
200	100	80	Atlantic	05	9	52 1/2	48	50	50
201	100	80	Atlantic	05	9	52 1/2	48	50	50
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INTERNATIONAL INVESTING

PEC Israel Holders Protest the Planned Delisting of a Possible 'Gem'

By Joseph Kahn
New York Times Service

NEW YORK — Even in a raging bull market, some New York Stock Exchange issues wallow in neglect. A few, like dusty antiques in the attic, turn out to be gems.

PEC Israel Economic Corp., a holding company that has stakes in Israeli ventures, may be one such company. Management takes a low profile. Analysts ignore the company. The stock price has gone mostly downhill since the early 1990s. So forgotten is PEC that it is slated for extinction, with its largest shareholder preparing to buy up the remaining shares and delist it.

The delisting, however, comes as several PEC investments, including a stake in Cellcom Israel Ltd., Israel's largest mobile-telephone operator, are scheduled to go public and capture a market value that analysts predict will greatly exceed the amount that PEC says they are worth.

Discount Investment Corp., a company controlled by the Recanati family of Israel, is the majority PEC shareholder that wants to privatize PEC. By doing so, it would not have to share any future gains in the market value of PEC assets with other stockholders, dis-

gruntled shareholders contend.

The offer to privatize PEC was made several months after Goldman Sachs & Co., the investment bank, paid \$78 million for a 9.5 percent stake in the Israeli holding company that controls Discount Investment. Goldman Sachs, jointly with Lehman Brothers, also happens to be a lead underwriter of Cellcom, which plans to list shares in the United States shortly.

Minority PEC shareholders have filed lawsuits to block the deal, contending that the offer substantially underestimates the value of the investments PEC has made over the years. Unless the suits prevail, the delisting is a done deal, because Discount Investment already holds an 80 percent stake in PEC. Shareholders were to vote on the proposal at a shareholder meeting Tuesday in New York.

Some shareholders see the demise of PEC as an ignominious end to a company founded in 1926 by Justice Louis Brandeis of the U.S. Supreme Court. He and other Zionists established the company to support Palestine when Jews there had difficulty raising money for even the most basic necessities.

In fact, until the Israeli stock market boom of the 1990s made it easier for Israeli companies to raise capital, PEC

was run as much as a charity as a corporation. Its stock is still widely held by Jews, who once regarded it as much as a donation as an investment.

"This company was never supposed to be about squeezing every last dime out of shareholders," said Murray Greenfield, a 72-year-old retired Israeli broker who sold PEC stock to Jewish visitors to Israel in the 1960s. "It was about building Israel. If Brandeis woke up today, he would not be the happiest man in the world. I can tell you that."

Discount Investment stock has been on a tear, with shares rising from less than 80 shekels, or about \$19, at the time it offered to buy the shares of PEC it did not already control last autumn to more than 140 shekels in recent days, an all-time high. PEC shares on the New York Stock Exchange, which closed Monday at \$29.6875, rose in December when Discount Investment made its \$30-a-share offer but are still well below 1993 highs.

For more recent shareholders, PEC's privatization is a fresh lesson about the risks of investing in undervalued companies. Some investors said they snapped up PEC stock in recent years because the price fell far below the level at which analysts estimated the value of its underlying investments. These investors

were hoping PEC would eventually enjoy a run-up in the value of Israeli companies that went public after the 1993 peace accord with the Palestinians.

Like PEC, some investment holding companies trade at a discount to the book value of their underlying assets, especially when management is indifferent. But PEC's discount—more than 46 percent, according to an estimate made by an analyst at Lehman Brothers last year—was large enough to make PEC a prime target for investors seeking the most undervalued companies on the U.S. stock market.

"The pity is that this is happening just as some of PEC's investments are just about to take off," said one large shareholder who declined to be identified because his company has legal action pending. Among the largest minority shareholders are mutual funds run by Credit Suisse Asset Management and Vanguard Group.

PEC's management team, which includes two members of the Recanati family, declined to comment through a spokesman on the lawsuits or the buyout offer, citing Securities and Exchange Commission regulations that they say prohibit them from speaking publicly while the offer is pending. Goldman Sachs, which stands to benefit if the

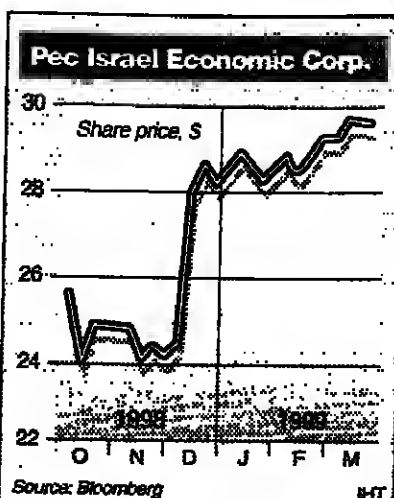
Recanatis have their way at PEC, also declined to comment.

But in documents, the company says that the \$30-a-share purchase price for the PEC shares that Discount Investment does not already own is fair, pointing out that the price is 32 percent higher than what the shares were fetching before Discount Investment made a bid.

Late last year, PEC management hired Merrill Lynch & Co. to appraise its value. After Merrill's review, Discount Investment raised its bid to \$30 a share from \$25.50. Merrill called the \$30 price fair, a fact that PEC officials said validated the latest offer.

But some shareholders fault Merrill for collecting as much as \$625,000 from PEC in fees if the deal flies but failing to extract from PEC management the sort of information Merrill normally seeks to judge the fairness of a deal. Merrill acknowledged in its fairness opinion, for example, that it did not have access to the management of Cellcom, the mobile-phone operator that many consider to be the portfolio's hidden jewel.

"We have not been afforded the opportunity to meet with the management of Cellcom Israel, the company's largest single holding, and thus have not been able to discuss with such management the business prospects of



Source: Bloomberg

Cellcom, the Merrill review states.

Israeli newspapers have reported that Cellcom plans to go public in the United States this year. Merrill Lynch and Goldman Sachs competed for the right to underwrite that company's shares, which are expected to generate considerable investor interest because of Cellcom's rapid growth and its status as the No. 1 provider of mobile-phone service in Israel, itself a leader in per-capita use of cellular telephones.

Investors Stand by Kodak After Company Opts for Candor in Earnings Forecasts

By Claudia H. Deutsch
New York Times Service

NEW YORK — Eastman Kodak Co., worried that analysts were ignoring the informal cautions it had been sounding about its first quarter, has turned up the decibel level.

In a radical departure for the traditionally secretive company, Kodak warned Monday that its first-quarter earnings would come in below many analysts' expectations but gave detailed, and much rosier, forecasts for the rest of the year.

Investors, who have time and again dumped Kodak's stock on the slightest whisper of negative news, broke with tradition, too. Although several analysts lowered their first-quarter estimates after the announcement, Kodak's shares

held firm, rising 37.5 cents to close at \$65.625.

"I just don't think the lower first quarter will have any bad implications for the year," said Jack Kelly, an analyst with Goldman Sachs & Co., whose view was widely echoed by other analysts.

In its announcement, Kodak reaffirmed its prediction that its 1999 earnings would come in at \$4.51 to \$5.24 a share, or 10 percent to 20 percent more than the \$4.37 a share it made last year. But it warned that the improvements would not show up immediately.

Specifically, Kodak predicted earnings of 73 cents to 80 cents a share for the first quarter, below the Wall Street consensus of 82 cents. But it said its second-quarter earnings would bounce back to between \$1.50 and \$1.59 a share.

Although the news sent analysts scrambling to adjust their own quarterly forecasts, most accepted Kodak's statement that the year remained promising and retained "buy" recommendations on the stock.

"If their estimates are right, then at 13 times earnings, this is still a cheap stock," said B. Alexander Henderson, an analyst with Prudential Securities Research.

Kodak does face problems in the first quarter. The strong dollar and shaky economies continue to take their toll on its overseas sales. Kodak remains under intense competitive pressures in its film business, and it is running into extra costs associated with its acquisition of Imation Corp.'s medical business in August.

But Kodak has just sold its cash-

draining copier business to Heidelberger Druckmaschinen AG, shedding a unit that lost \$15 million last quarter and will probably lose \$10 million this one.

Kodak's cost-cutting programs are ahead of schedule, and it has moved some manufacturing operations to low-cost areas such as China.

"There's definitely good reason to believe that the second half will be better than the first," said Robert Stern, an analyst at Merrill Lynch & Co.

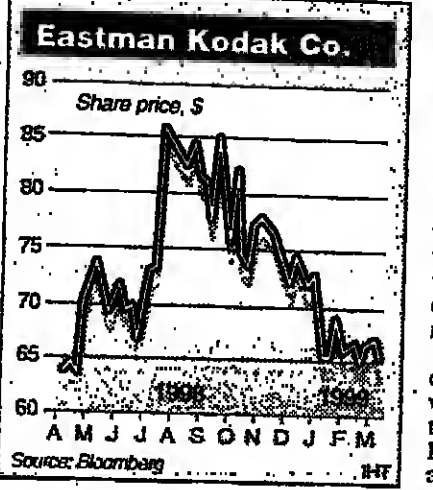
Even more heartening to analysts is that Kodak's film sales, while not soaring, have remained strong, and sales of the company's digital products are picking up.

"The top line just doesn't look so daunting anymore," said Jonathan Rosenzweig, an analyst with Salomon

Smith Barney. Kodak's new openness with its numbers seems to prove yet again that there is no zealot quite like a recent convert. Until recently, Kodak's managers steadfastly refused to forecast anything, maintaining variously that they feared lawsuits if they were wrong and that forecasting was the analysts' job, not theirs.

"If the answer wasn't a matter of public record, they simply did not answer the question," said Ulysses Yarnas, an analyst with Mercer, Boker, Buckman & Reid.

Analysts welcome the changed attitude. "Kodak is finally realizing that its stock has been penalized for the uncertainty that has historically surrounded its earnings," said Michael Eilman, an analyst with Schroder & Co.



Source: Bloomberg

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WORLD ROUNDUP

Lara Hits Century

CRICKET Brian Lara made a century Tuesday as the West Indies reached 234 for five wickets in its second innings on the final afternoon of the third test against Australia. Lara was 101 not out and had shared an unbroken partnership of 129 with Jimmy Adams (34 not out) as the host chased a victory target of 308 runs. (Reuters)

Tour Drug Probe Widens

CYCLING Roger Legeay, the president of the French League of Professional Cycling and sporting director of the Credit Agricole team, and Richard Vireneque, a rider, have been placed under investigation by Patrick Keil, the judge investigating the doping scandal that broke during the 1998 Tour de France, Gerald Vinsonneau, an assistant prosecutor, said Tuesday.

Legeay was questioned Monday in Lille. He was being investigated for "complicity in facilitating and inciting use" and "administration to others of doping substances," Vinsonneau said. Vireneque, who rode for Festina in 1998, has been told he was suspected of "complicity in helping others to obtain and use illegal performance-enhancing substances." (AP, AFP)

Moncrief Hired as Coach

BASKETBALL Sidney Moncrief, the former NBA star, was hired Tuesday as the coach at Arkansas-Little Rock. Moncrief, who owns an automobile dealership in suburban Little Rock, has never coached before. Moncrief played college basketball at nearby Arkansas and led the Razorbacks to the NCAA Final Four in 1978. (AP)

Referee Jailed for Killing

ICEHOCKEY A former ice hockey referee and five accomplices were found guilty Tuesday of the 1997 contract killing of the head of the Russian ice hockey federation, A. Moscow court sentenced Alexander Artemyev, 44, who planned the murder of Valentin Sych, to 15 years in prison. Artemyev said he acted as an intermediary.

Vyacheslav Pchelintsev, 30, a hired killer, received 19 years for firing a score of automatic rounds that killed Sych. (Reuters, AFP)

Radja Comes to the Rescue

BASKETBALL Dino Radja, a Croatian center for Panathinaikos, came to the defense of his club's Serbian-born coach, Lefteri Soubotich, and punched the team owner's son after the last game in the Greek regular season Sunday.

After he saw a supporter slapping Soubotich, a Greek citizen, Radja chased and punched Dimitris Yiannakopoulos, 24, not knowing he was the president's son. Yiannakopoulos said he was angry because Panathinaikos failed to take first place in the standings. Panathinaikos beat league leader Olympiakos, 59-56, but needed a bigger victory to take first place. Radja apologized and the club said Tuesday there was "no problem." (AP)

**Losers 'Proud,'
But as for the
Oddsmakers...**

By Michael Wilbon
Washington Post Service

ST. PETERSBURG, Florida — We all should have learned this lesson a long time ago. Championships aren't declared, they have to be earned. Pro-nouncements didn't get Patrick Ewing's Georgetown past Villanova or Houston's Phi Slamma Jamma past North Carolina State.

Being declared the overwhelming favorite, all but awarded the game in the

VANTAGE POINT

court of public opinion, couldn't get Duke past Connecticut on Monday night, either. We owe the Connecticut Huskies a collective apology.

Saturday, after Duke and Connecticut emerged victorious in their semifinals, somebody asked John Wooden if he would make a prediction. The man who led UCLA to 10 NCAA titles said: "There's no question Duke is the better team."

Then, he paused for emphasis, and said: "That doesn't mean Duke will win. They'd beat anybody in a seven-game series, but it's only one. It's just one. That's what makes it so much fun."

Wooden looked around with a twinkle in his eye and said: "It's only one." What a "one" it was. The final championship game of the century had everything you'd hope a title game would have. Nobody slowed it down, or jerked it around. There were no gimmicks or tricks or newfangled tactics. Two dead-even teams played as evenly as possible for 40 minutes, as should be the case with a pair of No. 1-seeded teams who had lost a total of three games between them.

"I've been involved in a bunch of terrific games," said Mike Krzyzewski, the Duke coach. "I'm proud of being involved in this game. I'm not going to be down about this game."

The game and the season came down to two end-of-game chances for Duke, with the best shooter in college basketball, Trajan Langdon, isolated against probably the best defensive guard in college basketball, Ricky Moore. Defense won, so Connecticut won.

Langdon had precious little help all night from his teammates, all nonseniors who played a little timidly, especially on



Connecticut's Ricky Moore going up for a score in the game's first half.

those final possessions. William Avery, a sophomore guard, missed all seven of his second-half shots. Shane Battier, a sophomore forward, had only two hucks all night. Corey Maggette, a freshman didn't make a shot in the second half. Langdon and his 25 points were all Duke had, which isn't enough against a team as fine as Connecticut.

Richard Hamilton of Connecticut matched Langdon stroke for stroke, and got just enough help from Moore and point guard Khalid El-Amin.

The word "upset" is inappropriate to describe what happened. Since when did Connecticut, after going 33-2, become chopped liver? It was insane to expect Duke to beat so worthy an opponent in a blowout.

Krzyzewski is a masterful coach, the best in the business. But Jim Calhoun is just a step behind him. In November, when the season started, Calhoun began keeping scouting notes on teams such as Duke and Cincinnati on blue cards.

Four months later, he put together a game plan that smartly took away several of the things Duke likes to do.

The Duke players also seemed over-eager on offense, attempting uncharacteristic and wild drives to the basket that allowed the Huskies to block four shots by intermission. The Huskies kept their energy level up all night, in part because Calhoun canceled practice Sunday and simply had his players shoot around and listen to some very specific instructions. He and Coach K hadn't left any detail unchecked, and the players responded accordingly, which is about the only way you get these kinds of games.

Two even teams — that is what we had on the final night of the college season. Anybody who thought Duke was 10 points better than Connecticut hadn't been paying attention.

But even Calhoun said that his team "did beat the best tonight. All the people who talked about how good Duke was, I don't blame 'em. I was leading the parade in saying how good Duke was. Like our guys said, we played the right team. The two best teams in the country played tonight."

That's the part too many folks ignored in the first place.

**Two Turnovers in Final Seconds
Seal 77-74 Upset for Huskies**

By Joe Drape
New York Times Service

ST. PETERSBURG, Florida — There were 5.2 seconds left on the clock, and Duke, the team thought to be unbeatable, was about to be beaten.

A pudgy sophomore named Khalid El-Amin had just hit two free throws to put Connecticut up by 3 points, and the ball was in the hands of Duke's Trajan Langdon, a senior who had been waiting five years to win a championship. Langdon dribbled down the court, hounded by a senior named Ricky Moore as he had been all night.

Moore swiped, Langdon fell. The ball rolled on the floor at Tropical Field. And then so did the Connecticut Huskies. First El-Amin. Then Richard Hamilton. Then Kevin Freeman and on and on.

Connecticut, the team that was considered too soft, too inexperienced in tournament play, had just won its first National Collegiate Athletic Association men's basketball championship, defeating top-ranked Duke on Monday night by 77 to 74.

"Everybody considered us underdogs," said Hamilton, who was named the Final Four's most valuable player after scoring 27 points in the game and grabbing 7 rebounds. "We took it upon ourselves to take the credit at the end."

It was deliverance for a Connecticut basketball program that was one of the nation's best over the past decade but until this year had never reached the men's Final Four. And it was personal redemption for Jim Calhoun, one of the nation's most successful coaches in his 13 seasons at Connecticut but without a championship until now.

In bringing its title to the campus in Storrs, Connecticut, the men's team, ranked No. 3 in the nation at the end of the regular season, matched the feat accomplished by the Connecticut women's team in 1995.

Connecticut, finishing at 34-2, upset a Duke team that went 37-2 and was seeking its third NCAA title of the 1990s.

Langdon sat there and watched helplessly at game's end. His 25 points and heroic effort were overshadowed by two turnovers in the closing seconds. Instead of a college basketball team for the ages, the Blue Devils were now just super-talented runners-up.

When Langdon nailed a 3-pointer with 1:42 left, his 25th point of the night, to cut the Connecticut lead to 73-72, the Blue Devils slapped the floor in the program's signature cry for defense.

It had been a brawl with every possession contested and each team showcasing talent in college basketball's premier game.

El-Amin ignored the Blue Devils' call — as the shot clock ticked off to just three seconds — and launched a one-handed shot from the left baseline to put the Huskies up by 75-72. But Moore, who clawed all night, was called for holding William Avery as he swung from the screen. The sophomore calmly sank both free throws to make the score 75-74.

The Huskies gave the Blue Devils one last chance. El-Amin forced an eight-footer from the left lane and Duke had the

ball. Langdon went after Moore one last time, taking the ball from beyond the arc and backing his way toward the basket. He spun inside, Moore glued to his hip, and took an extra step. With 5.4 seconds left, he was called for traveling.

"It was crunch time," said Moore, who had 13 points, all in the first half. "I knew it was me against him."

Langdon said: "I just wanted to make a move. I've been in that situation a ton of times. I was thinking about the clock. I might have traveled. I might not have."

After Langdon hit his foul shot, El-Amin lost the ball as time ran out and Connecticut had the title.

"The ball was in our best player's hands with an opportunity to win the game," said Mike Krzyzewski, the Duke coach. "And that's the way it should be. They played good defense — that's it."

El-Amin had 12 points as the Huskies shot 52.5 percent. Langdon's 25 and Elton Brand's 15 led the Blue Devils, who shot only 41.1 percent.

It was a long time coming for Calhoun, who waited 27 seasons — 14 at Northeastern and 13 at Connecticut — and experienced three heartbreaking losses in regional finals to get here.

After a first-round first half that featured six lead changes and seven ties, Duke took a 39-37 lead into the locker room. Hamilton was brilliant as he twisted through the lane and scored 11 first-half points. Connecticut's defensive effort was stifling, holding the Blue Devils to 43 percent shooting and pounding them on the boards, 20-13, in the half.

Moore, the Huskies' vaunted defender, demonstrated a fierce will to share the limelight with Hamilton and El-Amin, scoring 13 first-half points in electrifying fashion. He bombed from the 3-point line, burst around his old high school teammate, Avery, and soared over Shane Battier for a finger roll and capped his half with a reverse, full-way back shot over the lunging Brand.

On the defensive end, he was just as determined, making Langdon work for each of his six shots on his way to 12 first-half points. But Langdon, an all-American, showed why he is a feared shooter by sinking 3 of 5 from beyond the 3-point arc, including one over Moore that resulted in a 4-point play and gave the Blue Devils their halftime lead.

The Langdon-Moore duel remained intense as Langdon came out in the second half and scored the Blue Devils' first 5 points, including a 3-pointer with Moore chin-to-chin with him. When Avery blew by El-Amin and dumped the basketball to Brand, the Blue Devils had equaled the game's highest lead at 5 points, 46-41.

When El-Amin picked up his third foul and went out with 17:17 left, the Huskies dug down for a burst of energy rather than roll over. Over the next 5 minutes, they turned a 5-point deficit into a 4-point lead as Hamilton jested through the middle of the lane for 6 acrobatic points.

"They broke our defense down," said Chris Carrarwell of Duke. "No one has done that all year. They outthrust us and beat us on loose balls."

Hawks Again Claw League-Leading Pacers

The Associated Press

INDIANAPOLIS — The Indiana Pacers have the best record in the National Basketball Association's Central Division. It would be even better if they didn't have to play the Atlanta Hawks.

The Hawks have won all three meetings with the Pacers this season, including an 83-82 victory Monday.

"Every game we've had the lead and haven't been able to close it," said Larry Bird, the Pacers' coach. "Hopefully, we can bounce back from this fiasco." Anthony Johnson, making his first start for Atlanta, scored a season-high 17 points and Grant Long made two free throws

with 3.4 seconds left as the Hawks won their fifth straight game.

Johnson filled in for Mookie Blaylock, who had the flu. Dikembo

NBA Roundup

Mutombo had 14 points and 17 rebounds for the Hawks, who overcame a 10-point deficit in the final eight minutes and held Indiana to a season-low 14 points in the last quarter.

Nuggets 100, Clippers 88 Antonio McDyess had 24 points and 15 rebounds and Chauncey Billups added a season-high 24 points as Denver put an end to a

four-game losing streak.

The visiting Los Angeles Clippers shot 37 percent from the field against a Denver team ranked next-to-last in the league in field-goal percentage defense.

Lakers 116, Grizzlies 98 Shaquille O'Neal scored 26 points and Glen Rice had 12 of his 24 in the fourth quarter as Los Angeles pulled away to beat visiting Vancouver.

Dennis Rodman had 17 rebounds for the Lakers.

SuperSonics 109, Mavericks 101 Gary Payton and Detlef Schrempf each scored 20 points as Seattle won at Dallas.

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SPORTS

Gretzky Gets 1,072d Goal, Surpassing Howe's Total

By Joe Lapointe
New York Times Service

NEW YORK — A few minutes earlier, during a New York Ranger power play, Wayne Gretzky had taken a good shot from a good spot but got beat by the New York Islanders' goalie, Wade Flaherty.

"Damn," he said, or a word to that effect, as he winced and made a sharp gesture of frustration.

Returned to his center position because of an injury to Petr Nedved, Gretzky had been firing the puck better and more often than in most games this



Wayne Gretzky celebrating his record-breaking goal on the ice at Madison Square Garden with a New York Rangers teammate, Adam Graves.

NHL ROUNDOUP

season. His next chance came soon, with more than two minutes remaining in the third period and the score tied at 1-1 Monday in Madison Square Garden.

After an Islanders turnover, Gretzky fired, and Flaherty blocked the first shot while falling back. As if in a slow-motion dream sequence from a film, the puck lay in the blue-painted ice of the crease. Players for both teams struggled and fell atop the goalie. Gretzky charged forward, stuck extended.

"I barely got to the puck," he said. "I hate to say I kind of panicked. I felt like I couldn't get to it."

But he got to it and pushed it over the red goal line to give the Rangers a 2-1 lead that became a 3-1 victory.

It was Gretzky's goal No. 1,072, regular season and playoffs combined,

in both the National Hockey League and the World Hockey Association. It put him past the record held by Gordie Howe, Gretzky's idol when he was a boy and the man Gretzky calls the greatest player in the history of the game.

The record won't be official, because the NHL does not recognize the WHA, a rival league of the 1970s. But these were real goals scored by real stars in real games.

Gretzky, who broke in as a 17-year-old with the Indianapolis Racers in 1978, played one season in the WHA. Howe had 202 goals in the WHA and Gretzky 56.

Gretzky has only nine goals this season, only since Jan. 10. He missed 12 games since then with a disk injury in his neck, and this was his fourth game back. He finished the game with seven

shots on goal, the most in the game.

In Monday's other game, The Associated Press reported:

Camacho, 1, Coyotes 0. Garth Snow stopped 22 shots for his second straight shutout against Phoenix, while rookie Peter Schaefer scored the lone goal.

The visiting Coyotes have gone 154 minutes and 46 seconds without scoring against Vancouver.

Bure Out for Season

Pavel Bure's first season with the Florida Panthers is over after just 11 games, lost to the second reconstructive surgery on his right knee in less than four years. The Associated Press reported from Miami.

The high-scoring Russian underwent surgery Monday in Birmingham, Alabama.

Players, Yes, but First They're Men

International Herald Tribune

LONDON — Sports, not war, is a pretty lame cry at this time in Europe. As relentless as the falling bombs over Yugoslavia are the calls on players to do their national duty in the Euro 2000 qualifiers — 17 matches last weekend, 15 scheduled for Wednesday and, inevitably, half a dozen postponed because it is unsafe to put players into the air or around the Balkans.

You would think even soccer officials might get their priorities straight. But no, there are those already complaining that cancellations mean congestion and unfair strain on their players when the games are eventually played. The poor, precious darlings!

Surely with all the mingling of nationalities, Yugoslav side by side with Croatia in the Real Madrid attack, for example, it ought to dawn on soccer's employers and employees that before any individual becomes a valued player he is first and foremost a man. He has family, roots, loyalties; he is a product of his background, as we all are.

So when a human being, miles and miles from his homeland, afraid for his folkish living in dark cellars or running from their territory, protests, is that not the least we might expect?

I could not wear the jersey of Real Madrid knowing that my parents are sleeping in a garage," said Predrag Mijatovic, a Montenegrin, who, this time last year, was the main weapon as Madrid recaptured European glory.

A man with an instinct to strike that few in the world can better, and the father of a child stricken by dreadful brain illness, Mijatovic is human all right. Instead of representing Yugoslavia on the field against Croatia in Belgrade last Saturday he participated in a demonstration in Madrid against the NATO air strikes. "Until our families emerge from their cellars," he said, "we will not play."

Vantage Point/Rob Hughes

He and others outside the U.S. Embassy in Madrid, including Savo Mijatovic, who has played in England and Spain, had the hollow-eyed hopelessness of people who, through the very strengths that make them world travelers and rich beyond dreams, would make ideal conscripts were they on home soil.

When the playing stops and war starts, what else can they do but side with their people? And what should the soccer authorities do, other than rework the schedules and stay out of this minefield?

This is a testing time, too, for administrators who sit in Swiss chateaux and who, unfortunately, fired off the old broadside that sports and politics should not mix. Politics? If only this were nothing more. This is war, genocide, killing. And these are players who are encouraged to act from the soul, to do the instinctive.

In France and in England, the impulses of Yugoslav players were more extreme than Mijatovic's. Vladan Lukic, a Metz forward, said that he had finished with sports and was offering his services to the war effort. Sasa Curcic, a playmaker with Crystal Palace, marched around the club's stadium before Sunday's game against Bradford, clad in soccer gear but holding a banner: "Yugoslavia — Stop NATO Bombing."

Stop him was UEFA's message. The implication was that Curcic risks being fined, as Robbie Fowler of Liverpool was three years ago for wearing a jersey supporting fired dockworkers, or censored, as the Norway national squad was for demonstrating against French nuclear testing in the Pacific.

For the most part, UEFA is right to curtail overt use of the sporting arena for political protest. But the leaders of sport, in their worldly wisdom, must be able to see the heartache of a relatively young

player such as Curcic who came out of student politics in Belgrade to win applause and frustrate followers in equal measure through his beguiling but erratic displays on British sports grounds.

Curcic also keeps a nightly vigil outside No. 10 Downing Street. I will not reprint his nationalistic outpourings, but it is fair to point out that he is lonely and tortured by fears for four generations of his family back home in Belgrade.

He and his Serbian compatriot Gordan Petric were left out of Palace's match on Sunday even though the club, horribly mismanaged, needs every player and every point.

Now where were we before war stopped play? Ah yes, the games. They go on, of course, but somehow I haven't the urge to write about the groin strains, the "pressures," the winner-takes-all pursuit of points. Normal service will be resumed when men can compete under normal rules of sharing this planet.

However, what exactly is normal in our world of sports? On Saturday, you'll recall, Spain rained in nine goals against Austria and Herbert Prohaska, the Austrian coach, having slept on it and called it the "debacle of the century, making Austria the laughing stock of Europe," resigned. In Athens that same day, Angel Jordanescu, who quit the Romanian national team for the greater riches that Greece could pay him, quit again after Norway beat Greece, 2-0.

These are supposed sporting contests, stepping stones along the way to qualifying for a tournament that is not even a World Cup. And in the ethos of sports, the prevailing attitude is that we must have fall guys for every defeat. Casualties of the peace?

Rob Hughes is chief sports writer of The Times of London.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

MONDAY RESULTS

Kansas City 4, Cleveland 2
Tampa Bay 5, Texas 1
Baltimore 7, St. Louis 6
Philadelphia 6, Toronto 4
Cincinnati 12, Boston 4
Pittsburgh 6, Milwaukee 4
Montreal 4, Los Angeles 10
Atlanta 3, Florida 2
New York Mets 4, Houston 5
New York Yankees 9, Detroit 5
Oakland 10, San Francisco 3
Chicago White Sox 9, Seattle 3
Anheuser 9, San Diego 0
Colorado 9, Chicago Cubs 5
Arizona 8, Milwaukee 4

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

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Orlando 21 9 .700 1
Miami 19 9 .679 1

MONDAY RESULTS

Philadelphia 15, New York 13
Washington 12, Boston 10
New Jersey 5, New York 3

WESTERN CONFERENCE

Utah 21, Houston 7
San Antonio 19, Phoenix 10
Dallas 16, Minnesota 12
Denver 10, New York 8
Vancouver 6, Seattle 2

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INNING, AND WE'RE ALREADY
BEHIND FORTY TO NOTHING!

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RAINING...

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JUST HAVE TO BELIEVE!

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COME TODAY! I PROMISE
I'LL NEVER BE SAD
AGAIN! I'LL DO WHATEVER
YOU WANT!

PLEASE, PLEASE, PLEASE!
I'LL NEVER ASK ANOTHER
FAVOR IF TODAY'S THE
DAY I GET MY BEANIE!

DID I
GET MY
BEANIE?
NOPE.

WHAT'S IT
TAKE, HUH?!

AND NOW
EVERYONE'S
FAVORITE
POLKA BAND...

"THE GEEK
BOYS!"

ACCORDIONS
RULE! YESSS!
IT'S THE
FINE
OF THE
WORLD!

THERE'S AN
OFFICER
HERE TO
SEE YOU,
SIR

SEND
HIM
IN

HEY! WHY DIDN'T
YOU TELL HIM
IT'S ME!

AT LEAST YOU'LL
GET IN BEFORE
YOU'RE THROWN
OUT!

MY NAME'S BETTER!
SOME THINGS SHOULD
BE LEFT UNNAMED
SO KIDS COULD
DO IT!

YOU'VE
GOT A POINT
THERE

PLEASE PASS
THE SPLASHED
POKATISH

DAGWOOD, WHAT
ON EARTH ARE
YOU TALKING
ABOUT?

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SAW A CUTE
LITTLE
CHICKMUNK!

THEY'RE CALLED
CHICKMUNKS,
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IN "BEER
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POSTCARD

Divine Intervention

By Clifford Krauss
New York Times Service

COPACABANA, Bolivia — They drive from all over Bolivia, Peru and even northern Argentina to this remote town on the shore of Lake Titicaca — taxi drivers, truck drivers and other motorists seeking a priest's blessings for protection against drunken drivers, landslides, bad brakes and broken axles.

Every morning and afternoon, but particularly on Sundays, Copacabana's central plaza becomes a jammed parking lot of rattlesnake buses and minivans splashed with mud from long, arduous journeys through the Andean highlands.

The drivers drape their side-view mirrors and bumpers with colorful ribbons and bushes of pink and white gladiolus. They sprinkle their hoods with the petals of white roses. Then they give their tires a spritz of Bolivian champagne, beer or, for those on a budget, mineral water.

The pilgrims don't drive home until one of six Franciscan priests sprinkles holy water on their dressed-up vehicles and says a prayer asking for divine intervention against everything from accidents to faulty directions and gas shortages.

"This is better than car insurance," said Mario Kempy Avelo, 23, who drove his new minivan from La Paz as part of his preparations in starting a taxi business. "I can't afford any accidents, so I came as an act of faith."

No one keeps exact statistics, but Bolivian experts on folklore say the number of motorists who make the pilgrimage to this town 12,000 feet (4,000 meters) above sea

level every year easily reaches into the tens of thousands.

The popularity of the pilgrimage makes it the most important source of income for this town of 5,000 people. Banks stay open on Sundays to accommodate travelers. Indian women selling miniatures of the Virgin Mary, flowers and other items do a brisk business.

The custom of driving to Copacabana as a religious rite began in the 1950s, when a sweeping government land redistribution program put money in the pockets of the rural masses and created a new class of drivers. But the ritual has its roots much further in the past, with the ancient Aymara and Inca Indians.

The town's holiness originated from its proximity to where the ancient Andean Indians believed the universe was created: on the Island of the Sun, a short boat ride from the town's rocky beach. The Indians came to Copacabana from throughout South America's central highlands — journeys that sometimes lasted months — to sacrifice white llamas and vicuñas to their gods.

When the conquistadors arrived in the mid-16th century, the Spaniards first tried to ban the Indian rituals as unsavory paganism, and they covered Indian idols in the center of Copacabana with a huge Moorish-style cathedral graced by tile domes that still glisten in the sun.

The so-called Virgin of Candelaria, which is today lodged above the Copacabana cathedral's altar, remains one of the holiest relics in all of South America — and, naturally, a must visit for all the drivers who come here for divine guidance and protection.

Lighting Minds Darkened by Misfortune

By Edward Rothstein
New York Times Service

NEW YORK — During an unusual course in philosophy and literature that Earl Shorris was teaching for the poor and homeless, a student who had a history of violent behavior telephoned him.

The student had become so angry with a colleague, he reported, that he wanted "to smack her up against the wall." Shorris feared the worst. Was this a call from jail? No, because instead of striking outward, the student had reflected inward and asked himself, "What would Socrates do?"

Not even a university provost, I imagine, would raise such a question in the heat of confrontation. But in his 1997 book on American poverty, "New American Blues," Shorris also tells of prisoners in a maximum-security prison reading Boethius's "Consolation of Philosophy," and of yet another prisoner who recommended that Shorris take his homeless students to museums and teach them Plato's "Allegory of the Cave."

It is startling to read about lives that have been ruined by criminal choices, crippling addictions, disturbed minds or accumulated misfortunes being so touched by Great Books and High Art. But Shorris has been proselytizing for their potential for salvation for some years, and earlier this month, The New York Times reported that his initial 1995 class, which was created after intensive screening of candidates, has now become a model for a five-year multistate program run by Bard College.

The irony is that all this is taking place in a period when so much energy has been expended in universities to undercut the authority of the very material Shorris is promoting to the imprisoned and the homeless: Plato and Aristotle, Euripides and Pericles, William Blake and symbolic logic. As he makes clear in his book, one of the inspirations for his enterprise was the educational philosophy of Robert



Ellen Shore, Michael Newton and Steve Fallon, a professor, in a classics' course at Notre Dame.

Maynard Hutchins in the 1950s at the University of Chicago, where Shorris says he received "the best education in America." The undergraduate degree required 14 year-long required courses and allowed only two electives.

But even the University of Chicago has long since left behind such rigors, and is now trying to shed its monastic reputation still further, increasing electives, decreasing requirements and marketing itself as a more fun place. Shorris is advocating a more serious approach for the poor than is often considered necessary or appropriate for college students.

But he is also not the best advocate for such an enterprise. He seeks, he says, to use the humanities for political purposes. Thus, he first

awakens a sense of resentment among the students. "You've been cheated," he says. "Rich people learn the humanities; you didn't." And the humanities have a use, he says. They help people become political, teaching them how to use power. "If you want real power, legitimate power, the kind that comes from the people and belongs to the people, you must understand politics; the humanities will help."

This does of course skew the ways Plato or Aristotle might be read or museums might be visited, and the poor have been learning the humanities for generations at public universities. Shorris's approach risks turning all readings into power lessons, turning philosophical texts into variations on Machiavelli for the disenfranchised.

And to put it mildly, Shorris does not always inspire the greatest of confidence with his own interpretations. He argues, for example, that the study of the humanities should, politically, "belong to the left" because the study of the humanities "is in itself a redistribution of wealth."

He engages in a series of egregious misreadings of recent texts, distorting, for example, a passage from Allan Bloom's controversial book "The Closing of the American Mind" that seems very clear. Bloom, who was attacking university culture, explained that his experience was with students who had the luxury of pursuing a liberal-arts education, who were "raised in comfort and the expectation of ever-increasing comfort." Those very

comforts, Bloom suggested, actually contributed to a cursory understanding of the world.

Yet Shorris states that Bloom believed that only the wealthy are "fit for a liberal education," that such an education should be withheld from the poor. One can argue with things Bloom said, but not with this, which Bloom did not say.

It may also be that Shorris is such a good teacher that his motivations matter less than his ability to make the texts resonate with the students' experience. Plato's cave may really be the best analogy. Recall that cave: Prisoners are underground watching shadows dancing on the walls. They create elaborate theories about their shadow universe. They construct crude notions of the world.

Then one day they see the source of the light in a cave fire and realize they have been contemplating illusions. The task of philosophy is to show eventually that even fire is just a distant image of a finer light. The philosopher leads the prisoners out of the cave into the light of the sun. At each stage of the way, the prisoners understand their world according to the limits of their experience.

The greatest books will reveal the flickerings of the fire, leading the student into new understandings. But they do not provide a final answer; rather, they provide ways of thinking. They do not answer an ideological call; they undermine it.

Shorris's political appeal may just be the inadequate first step, taking place within the cave. Once hooked by such habits of thought, though, readers might be led by these books and their teachers to go further.

What a powerful idea it is: to engage those who are most wounded and most wounding in a project of moral, social and intellectual illumination! The puzzle is why this approach to Great Books, however skewed an inspiration, is now becoming established at the cave's darkest corners, but is viewed with increasing skepticism by institutions supposedly thriving in the sunlit, open air.



Isaac Stern will teach young musicians in Cologne for a week.

THE violinist Isaac Stern is in Germany for the first time since he was there as a U.S. soldier a half-century ago. The 78-year-old virtuoso will not be performing but will give master classes to young musicians. "I have a responsibility to pass on to the next generation what I learned from my teachers," he said. "It keeps me young and reminds me where I came from. Teaching young artists is like giving water to a flower." Stern was born in Russia but moved to the United States with his parents when he was a baby and is an American citizen. He is the president of Carnegie Hall.

David Hoffman, chief of The Washington Post's Moscow bureau, has been named the winner of the SAIS-Novartis Prize for Excellence in International Journalism for a group of articles detailing the legacy of the Soviet military-industrial complex in post-Communist Russia. The annual \$15,000 prize was established in 1995 by the Paul H. Nitze School of Advanced International

Studies at Johns Hopkins University and supported by a grant from Novartis Ltd.

Larry Fortensky, Elizabeth Taylor's former husband, who was critically injured two months ago in a fall down a flight of stairs, is out of the hospital. Fortensky, 46, was released from Missio Hospital Regional Medical Center in Mission Viejo, California, into the care of his family, a hospital spokeswoman said. He fell at his San Juan Capistrano home on Jan. 28.

The Return of Hannibal the Cannibal

New York Times Service

NEW YORK — Hannibal the Cannibal is back. Hannibal Lecter, the flesh-eating villain of Thomas Harris's 1988 novel, "The Silence of the Lambs," will continue his adventures in a sequel, "Hannibal," delivered unexpectedly last week by Harris to his publisher, Delacorte Press.

The novel is being rushed into print, said Harris's editor, Carole Baron, who is president and publisher of Dell Publishing. (Delacorte Press is Dell's hardcover imprint.) Baron said the book, which took Harris 10 years to write, would go on sale June 8.

Baron said the manuscript was about 600 pages long and would be about 480 pages in print. "Although I had been discussing it with Tom for the past few years," she said, "I resisted asking when he was going to finish it."

ronney of Williams County, Ronald Davis, said: "There are enough open questions in this case" that a grand jury should hear all the evidence. The county singer lost control of his sport utility vehicle and crashed into a bridge on March 6. His family said he was talking on a cellular phone at the time of the crash, and the Tennessee Highway Patrol said a half pint of vodka, less than half full, was found under the passenger's seat of his vehicle. Jones suffered a punctured lung and lacerated liver.

The actor Rodney Grant has pleaded guilty to failing to pay child support. Grant, who played Wind in His Hair in the 1990 movie "Dances With Wolves," was indicted in January for failing to pay child support to Christina Mesa, the mother of his three teenage children. The indictment said that Grant had made only one child-support payment since August 1992, despite having earned more than \$685,000 from 1992 through 1997. Grant is scheduled to be sentenced in federal court on June 21.



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